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# DEFENSE INFORMATION SYSTEMS AGENCY

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## ACQUISITION HOW TO GUIDE

PLANNING, PREPARING,  
AND PROCESSING  
ACQUISITION PACKAGES

AUGUST 1993

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## FOREWORD

Welcome to the Defense Information Systems Agency (DISA) Acquisition How-to Guide. The Guide is published to acquaint you with the DISA acquisition process. Read the Table of Contents to become familiar with its contents and then browse through the Guide. Refer to the Table of Contents to find the Chapter of the topic you would like to focus on.

Reference material and copies of forms have been deleted from this edition of the Guide. Explanation of forms and instructions on how to complete the forms are included in Chapter 9. Reference material can be found in the DISA "Library." Forms can be accessed through PerForm or the Warehouse.

It is anticipated that the Guide will be available through the LAN in the near future. Additional instructions will be provided at such time.

If you have any comments, ideas, corrections, please submit them to Code PR.

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DISA QUALITY INSPECTED 1

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CHAPTER 1

OVERVIEW OF THE DISA ACQUISITION PROCESS

CHAPTER 1OVERVIEW OF THE DISA ACQUISITION PROCESS

1. GENERAL. The DISA acquisition process begins with requirements definition and ends with contract closeout. DISA acquisitions are divided into two categories - Acquisition Review Committee (ARC)/non-ARC (includes Federal information processing (FIP) resources), and OPTION EXERCISE. These categories are unique to DISA and are established based on process differences for different kinds of services or supplies being purchased. See Chapters 2, 3, and 4 for more specific definitions.

2. The following is a chart denoting the five phases for each category of DISA acquisitions.

CATEGORY OF ACQUISITION		
PHASE	ARC/non-ARC	OPTION EXERCISE
PHASE I Advanced Acquisition Plan	YES Ch1,3.a; Ch5,5.a	YES Ch1,3.a; Ch5,5.a
PHASE II Individual Plan with ARC Review	YES (\$1M or more) Ch1,3.b; Ch2; Ch5,5.b Ch6	NO
Individual Plan without ARC Review (with Dep Dir approval)	YES (\$25K - under \$1M) Ch1,3.b; Ch5,5.b Ch6	NO
PHASE III Acquisition Package Prep.	YES Ch1 Ch2, Ch7, Ch9	YES Ch1 Ch4, Ch7, Ch9
Directorate Acquisition Review Committee	YES Ch1,3.c; Ch2	OPTIONAL
Coordination & Approvals	YES Ch2	YES CH4
PHASE IV Funds Certification	YES Ch2	YES Ch4
Contract Award	YES Ch1,3.c; Ch8	YES Ch1,3.c; Ch8
PHASE V Contract Administration (See Separate How-to Guide on Contract Administration)	YES Ch1,3.d	YES Ch1,3.d

3. The following is a brief description of the five phases as follows:

a. PHASE I - ADVANCED ACQUISITION PLAN - This phase applies to ARC/non-ARC and OPTION EXERCISE acquisitions and includes the collection of key information on those proposed acquisitions for a future fiscal year. During this phase an Advanced Acquisition Plan, which is an agency-wide corporate acquisition plan that summarizes most (excludes special acquisitions) planned acquisitions for the next fiscal year, is prepared. See Chapter 5, Acquisition Planning, for procedures.

TIME: Advanced planning occurs between October and March preceding the fiscal year planned. In other words, the Advanced Acquisition Plan for FY 1994 is prepared between October 1992 and March 1993. Advanced Acquisition Planning could begin as early as after the budget estimate is submitted to OSD (Oct) or after the DISA Future Years Corporate Plan (FYCP) is completed (Jan).

b. PHASE II - INDIVIDUAL ACQUISITION PLANS [Contract, MIPR/RO, and FFRDC (other than MITRE)] - This phase applies only to ARC/non-ARC acquisitions and involves more detailed planning of those acquisitions identified in the Advanced Acquisition Plan. Before putting "pen to paper" on an acquisition plan, a number of actions and some research must be done. This part of planning is called "Gateway to the Acquisition Process." A discussion of the "Gateway" starts on page 1-6. Since Individual Acquisition Plans include base year, and all option years, a separate Individual Acquisition Plan is not prepared for each OPTION EXERCISE. Individual Acquisition Plans are "road maps" for each individual acquisition or a special grouping of like acquisitions identified in the Advanced Acquisition Plan and include key acquisition strategies and milestone schedules. The following chart indicates the differences between the DISA categories during this phase:

CATEGORY OF ACQUISITION

ACTION	ARC/non-ARC	OPTION EXERCISE
Individual Acquisition Plan required for all acquisitions over \$25,000 (excludes acquisitions based on urgency).	YES	N/A
Individual Acquisition Plans \$1M or more presented to the Acquisition Review Committee (ARC)	YES	N/A
Individual Acquisition Plans between \$25K and under \$1M approved by the Directorate Director	YES	N/A

**TIME:** For ARC/non-ARC acquisitions, approval of Individual plans occurs approximately 45 calendar days prior to the approval of the ARC/non-ARC acquisition package by the Directorate Acquisition Review Committee (DARC). For FIP acquisitions, documentation and approval of an acquisition strategy is completed on the DISA Form 1, Acquisition Package Approval & Coordination Sheet and its attachments, and normally occurs concurrent with the processing of the FIP acquisition package itself.

SEE THE EXHIBITS (Flow Charts) AT END OF CHAPTER FOR CLARIFICATION

c. PHASE III - ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL - This phase applies to ARC/non-ARC, FIPR, and OPTION EXERCISE acquisitions and includes the review, coordination, and approval of the entire acquisition package. Preparation of acquisition packages should begin with Advanced Acquisition Planning, PHASE 1. Chapters 2, 3, and 4 include instructions on the documentation preparation, review, coordination, and approval of acquisition packages. The following chart indicates the differences between the DISA categories during this phase:

CATEGORY OF ACQUISITION		
ACTION	ARC/non-ARC	OPTION EXERCISE
Review and approval of the acquisition package (estimated over \$100,000) by Directorate Acquisition Review Committee (DARC)	YES All coordinations & approvals obtained via DARP	NO
Review and approval of the acquisition package by the Directorate Director	YES Obtained as part of DARP	YES All coordinations & approvals obtained through routing

**TIME:** Review and approval must be accomplished no later than the calendar days before award identified on the next page for the applicable appropriation and type of acquisition.

#### ACQUISITION LEAD-TIME STANDARDS

##### ARC/non-ARC/OPTION EXERCISE - HQ CONTRACTING ACTIVITY

HQ Contracting Activity (Contract Management Division - Code PM and Joint Procurement Division - Code PJ) or MIPR acquisition lead-time standards for ARC/non-ARC acquisitions/OPTION EXERCISE (in calendar days from receipt of the acquisition package by the

contracting office or for MIPR's/RO's by the receiving activity) follow.

APPROPRIATION	COMPETITIVE & TO BE DETERMINED	SOLE SOURCE & MODIFICATION	8(a)	OPTIONS/MIPR's/ EAO's/RO
RDT&E	210	140	155	60
O&M	195	125	155	60
PROCUREMENT	195	125	155	60

## FIPR - HQ CONTRACTING ACTIVITY

	Package Preparation & <u>Coordination(1)</u>		Codes PM & PJ Time to <u>Award Contract(2)</u>
CATEGORY: FIPR Acquisitions Over \$25K & Planned GSA Schedule Actions Over \$50K			
Competitive (O&M and PROC \$) (Including Specific Make & Model with more than one source)	50 days	PLUS	145 days
Competitive (R&D \$) (Including Specific Make & Model with more than one source)	50 days	PLUS	160 days
8(a) Contracts	50 days	PLUS	155 days
Sole Source (O&M and Proc \$)	60 days	PLUS	125 days
Sole Source (R&D \$)	60 days	PLUS	140 days
CATEGORY: FIPR Acquisitions Under \$25K & Planned GSA Schedule Actions Under \$50K			
Competitive - (Including Specific Make & Model with more than one source)	30 days	PLUS	75 days
Sole Source	30 days	PLUS	75 days

NOTES: The above FIPR acquisition lead-time standards are "rules of thumb." If an acquisition is particularly controversial or complicated, days should be added for package preparation, coordination, and contracting time.

(1) Days are calendar days. Add approximately 60 days to package preparation and coordination if a GSA Delegation of Procurement Authority (DPA) is required.

(2) Contracting time starts when a fully coordinated/approved acquisition package is received in the Codes PM or PJ.

#### DECCO ACQUISITIONS

Acquisition lead-time standards (in calendar days from DARC or OPTIONS EXERCISE approval) for ARC/non-ARC or OPTION EXERCISE Acquisition Packages which are contracted by DECCO are as follows. Included in this lead-time standard are 21 calendar days from DARC or OPTION EXERCISE approval to receipt of the Telecommunications Service Order (TSO) in DECCO:

<u>APPROPRIATION</u>	<u>COMPETITIVE &amp; TO BE DETERMINED</u>	<u>SOLE SOURCE &amp; MODIFICATION</u>	<u>8(a) OPTIONS</u>
N/A	235	235	180 90

d. PHASE IV - CONTRACT AWARD PROCESS - This phase applies to ARC/non-ARC, FIPR, and OPTION EXERCISE acquisitions and begins after DARP reviews and approves an ARC acquisition package or after the appropriate coordinations and approvals are obtained for a FIPR or OPTION EXERCISE acquisition package. This phase also includes funds certification and the entire contract award process. Options are exercised by awarding a contract modification.

e. PHASE V - CONTRACT ADMINISTRATION AND CONTRACT CLOSEOUT - See the Acquisition How-To Guide on Contract Administration and Contract Closeout for procedures (UNDER DEVELOPMENT).

#### 4. GATEWAY TO THE ACQUISITION PROCESS - How to get started

a. Exhibits 1A and 1B depict the acquisition process beginning with the Advanced Acquisition Plan as the first phase and the Individual Acquisition Plan as the next action. Between these two phases lies the "Gateway" to the acquisition process. In many ways, this is the most important area for an action officer preparing an acquisition package, for it is here that he or she gets started and initiates the efforts required to make the general ideas expressed in the Advanced Acquisition Plan a reality.

b. Before an action officer can prepare an Individual Acquisition Plan in the required level of detail, he or she will have to obtain a significant amount of information about how the upcoming acquisition will be conducted. The flowchart at Exhibit 1D and the narrative which follows are designed to assist you in moving through the "Gateway" to a successful acquisition. It should be noted that, normally, it is a prerequisite to have a requirement approved and funded in the Future Years Corporate Plan (FYCP), Program Objective Memorandum (POM), and budget process before entering the acquisition process or "Gateway"; as an action officer, if you are unsure about whether this has occurred, consult your Financial Management Officer (FMO) before proceeding with the acquisition.

c. Typically, there are five broad categories of actions that will take place in the "Gateway":

- I. Requirements Definition
- II. Feasibility
- III. Resource Decision
- IV. Consultation
- V. Approval

d. Normally, an action officer should take some action in each of these five functional areas. Within each area are several steps to be taken for completion of a thorough effort; however, not all steps may be required for a particular acquisition. The flowchart at Exhibit 1D shows the entire "Gateway" process, and the narrative following provides an explanation of many of the more complicated steps in the process.

e. FUNCTIONAL AREA DESCRIPTIONS FOR THE GATEWAY

(1) FUNCTIONAL AREA I: REQUIREMENTS DEFINITION

(a) PURPOSE: In this stage, the action officer should be trying to get a clear definition of the requirement. He or she should interact (by phone or in person) with the technical people/customers, and the Chief Information Officer (CIO/Code IA) (if an ADP non-mission requirement; non-mission meaning non-command and control or non-Warner exempt items, such as PC's for office automation). The requirement should be put in writing, and the action officer must ensure that he or she has a thorough understanding of the requirement. Any concerns about what the requirement is should be reconciled, by focusing on the need, not the solution, as the contractor will be expected to provide the solution. This involves finding out what the customer really wants, which means getting beyond any proposed solution the customer offers to find out what the real needs are. Failure to obtain a good definition of the



requirement will prevent proper execution of the remaining steps in the Gateway process.

The sub-elements (flowchart steps) under this functional area are self-explanatory, except for the step regarding ADP requirements, which is further defined below:

(b) EXPLANATION OF SPECIFIC STEP(S):

1. STEP: Non-Mission FIP Requirement

**PURPOSE:** The purpose of this step is to determine if the requirement is for non-mission ADP, in which case the Defense Systems Support Organization (DSSO/Code JA) becomes the action office and assigns the action officer.

**RESPONSIBILITY** (who has the information): Contact the CIO, who is responsible for obtaining a delegation of procurement authority (DPA) from GSA to allow DISA to conduct the acquisition. For non-mission ADP, the requirement is transferred to Code JA for action. (Note: For DECCO requirements originating with Telecommunications Certifying Officers (TCO's), the TCO is responsible for obtaining the DPA before submitting the requirement to DECCO.)

**OUTPUT:** In this step, either the DSSO takes over the requirement or the original action officer proceeds with the rest of the Gateway process.

**EXAMPLES:** If you receive a requirement for 50 personal computers to be used for routine, unclassified office automation, you must go to DSSO, who will become the action officer for the requirement.

**REFERENCES:** Federal Information Resources Management Regulation (FIRMR), 41 CFR 201; DoD FAR Supplement, Part 270; How-to Guide, Chapter 3.

(2) FUNCTIONAL AREA II: Feasibility

(a) PURPOSE: Determine if the requirement can be satisfied; explore alternatives; and determine feasibility. Explore existing solutions to our customers' needs, and if solution does not exist, explore if solution is possible or customer can be satisfied.

(b) EXPLANATION OF SPECIFIC STEPS:

1. STEP: Do topical research

PURPOSE: To determine what is out there now, to give a baseline from which to proceed. Find out if it had already been done.

RESPONSIBILITY (WHO HAS THE INFORMATION): Defense Technical Information Center (DTIC), technical libraries (on-line process), co-workers, educational institutions, seminars/forums. Note that the DTIC search must be documented in the individual acquisition plan. Also see Chapter 5.

OUTPUT: Find out if the work had been done before (or that a logical jump-off point has been established). You should expect to know the latest information on the subject area, so you will not need to reinvent the wheel.

EXAMPLES: Go to library (Building #12, second floor) and do an on-line search. Search DTIC or other Government agencies data base (including other DISA directorates, civilian agencies).

REFERENCES: Compendia of technical issue papers.

## 2. STEP: Feasibility study

PURPOSE: To determine if the requirement can be performed at all, and if it cannot, if any alternatives exist.

RESPONSIBILITY (WHO HAS THE INFORMATION): General support contractors may have the ability to do this study.

OUTPUT: Find out if the customer's requirement is doable.

EXAMPLES: Studies and Analysis, Tiger Team review, Tests, Demonstrations, Benchmarking (in ADP)

## (3) FUNCTIONAL AREA III: Resource Decision

(a) PURPOSE: To decide whether to satisfy a requirement with Government personnel or through the Acquisition Process.

### (b) EXPLANATION OF SPECIFIC STEPS:

#### 1. STEP: Finalize resource requirements

PURPOSE: To quantify the level of resources (financial and manpower) to complete the task requirement; i.e., what is needed to do the job.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Action Officer with task officer.

OUTPUT: Action officer knows what he needs to do either in terms of Government employees or contract support.

EXAMPLES: Check the budget, look at similar efforts, estimate level of effort required, derive preliminary estimate of level of effort, review Advanced Acquisition Plan.

REFERENCES: Industry standards, historical records, estimated number of lines of code and time required, dollars per line of code.

## 2. STEP: Explore internal resources

PURPOSE: To survey internal resource commitments and capabilities to determine whether the task can be accomplished by Government employees or must be contracted out. (Find out what is available and where.)

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Action/task officer, program analysts, with "management" (branch chief/division chief/organization director, as appropriate).

OUTPUT: Determine if there are sufficient personnel in-house to satisfy the requirement.

EXAMPLES: Work with management, check Joint Table of Distribution (JTD; a staffing/manpower document), review status of other programs

REFERENCES: Future years corporate plan (FYCP).

## 3. STEP: Consult FMO

PURPOSE: To determine whether funds are available to allow contracting for external support.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Directorate's financial management office (FMO) representatives (Codes CD, CJ, CN, CT, CX, as appropriate).

OUTPUT: Determine available funding.

EXAMPLES: Meet with FMO in person and present conclusive evidence of need for funding.

REFERENCES: APTS data base, FYCP, multi-year budget base, program objective memoranda (POM).

(4) FUNCTIONAL AREA IV: Consultation

(a) PURPOSE: To confer with subject matter experts and gain more information about how to satisfy the requirement through the acquisition process

(b) EXPLANATION OF SPECIFIC STEPS:

1. STEP: Confer with Acquisition Liaison (if Directorate has one).

PURPOSE: To consolidate the in-house strategy on contracting for the requirement.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Acquisition Liaison (Codes DA, JA, NA, TA, XA)

OUTPUT: Contract information to enable the action officer to map a general course of action.

EXAMPLES: Consult with Acquisition Liaison to learn of existing contracts to use (if work is within the scope of the contract).

REFERENCES: Contract Management Division's (Code PM) listing of current contracts; read the How-To Guide.

2. STEP: Confer with Contracting Officer in the Acquisition Management Organization

PURPOSE: To seek guidance from Contracting Officer with respect to existing contracts and strategy to obtain requirement.

RESPONSIBILITY, (WHO HAS THE INFORMATION):  
Contracting Officer

OUTPUT: The contracting officer should provide you with the necessary standard terminology and point out important areas which should be addressed.

EXAMPLES: The contracting officer should address: security requirements, facility requirements, quality assurance, Government property, contract type, options,

warranties, maintenance, site surveys, local approvals, host agreements, etc.

REFERENCES: Federal Acquisition Regulation (FAR), DoD FAR Supplement (DFARS), DISA Acquisition Policies and Procedures (DAPP)

3. STEP: Confer with the Small and Disadvantaged Business Utilization Specialist (SADBUS)

PURPOSE: Expose your requirement to pertinent socio-economic laws, objectives, and regulations.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
SADBUS

OUTPUT: The SADBUS will identify if the requirement is a candidate for participation in the Agency's Small and Disadvantaged Business Program, which reserves certain contracts for exclusive participation by small businesses.

EXAMPLES: The SADBUS can provide the names and capability statements for targeted procurement, assist the action officer in locating firms to participate in an acquisition, and works with the Small Business Administration on behalf of the Agency.

REFERENCES: Part 19 of the FAR, DFARS, and DAPP

4. STEP: Confer with Competition Advocate

PURPOSE: To identify any condition or action that has the effect of unnecessarily restricting competition in contract actions for the Agency.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Competition Advocate

OUTPUT: By statute, the Competition Advocate is responsible for challenging barriers to full and open competition. At dollar levels between \$100K and under \$1M, the Competition Advocate must review and approve any acquisitions tendered on the basis of less than full and open competition. For acquisitions above \$1M, the Competition Advocate must concur in the proposed acquisition method.

EXAMPLES: Information that the Competition Advocate can provide is: use of generic specification vs. producer's/itemized/military specification; commercial vs.

government specification; breakout of subsidiary items, components, or subsystems, etc.

REFERENCES: Part 6 of the FAR, DFARS, and DAPP, and Exhibit 7I, Chapter 7 of this "How-to" Guide

5. STEP: Confer with Participating Agencies/Committees (e.g. NSA, JCS, NSTAC, SBA, GSA, etc.)

PURPOSE: To obtain information from external Agency sources that may be helpful in satisfying the requirement.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Participating agency

OUTPUT: Information that will confirm existing strategy or allow alternatives.

EXAMPLES: FAR, DFARS, How-to Guide, Newspapers

6. STEP: Perform Market Research

SEE CHAPTER 6 OF THE HOW-TO GUIDE

7. STEP: Confer with other DISA activities for Technical/Administrative Support

PURPOSE: To identify and address any special agency requirements or concerns necessary to formation of an individual plan, and to determine if another requirement of the Agency necessitated similar or identical technical/administrative support.

RESPONSIBILITY (WHO HAS THE INFORMATION):  
Security office; Cost Analysis office; CIO or Senior IRM Representative (Code IR) for technical data management (Contract Data Requirements List (CDRL)/Data Item Description (DID)), GSA Delegations of Procurement Authority (DPA)/Agency Procurement Requests (APR), Warner exemptions to the requirement for a GSA DPA, AIS security and other ERM policy; other offices who have equipment/materials, information needed under a contract, etc.

OUTPUT: Information that will confirm existing strategy or allow alternatives.

EXAMPLES: Government facilities required for use under the contract; security clearances required; lease vs. buy analysis; maintenance response time on malfunctioning equipment.

(5) FUNCTIONAL AREA V: Approval

(a) PURPOSE: Obtain Directorate level approval to pursue acquisition of requirement through contract channels.

(b) EXPLANATION OF SPECIFIC STEP(S):

1. STEP: Develop Acquisition Strategy

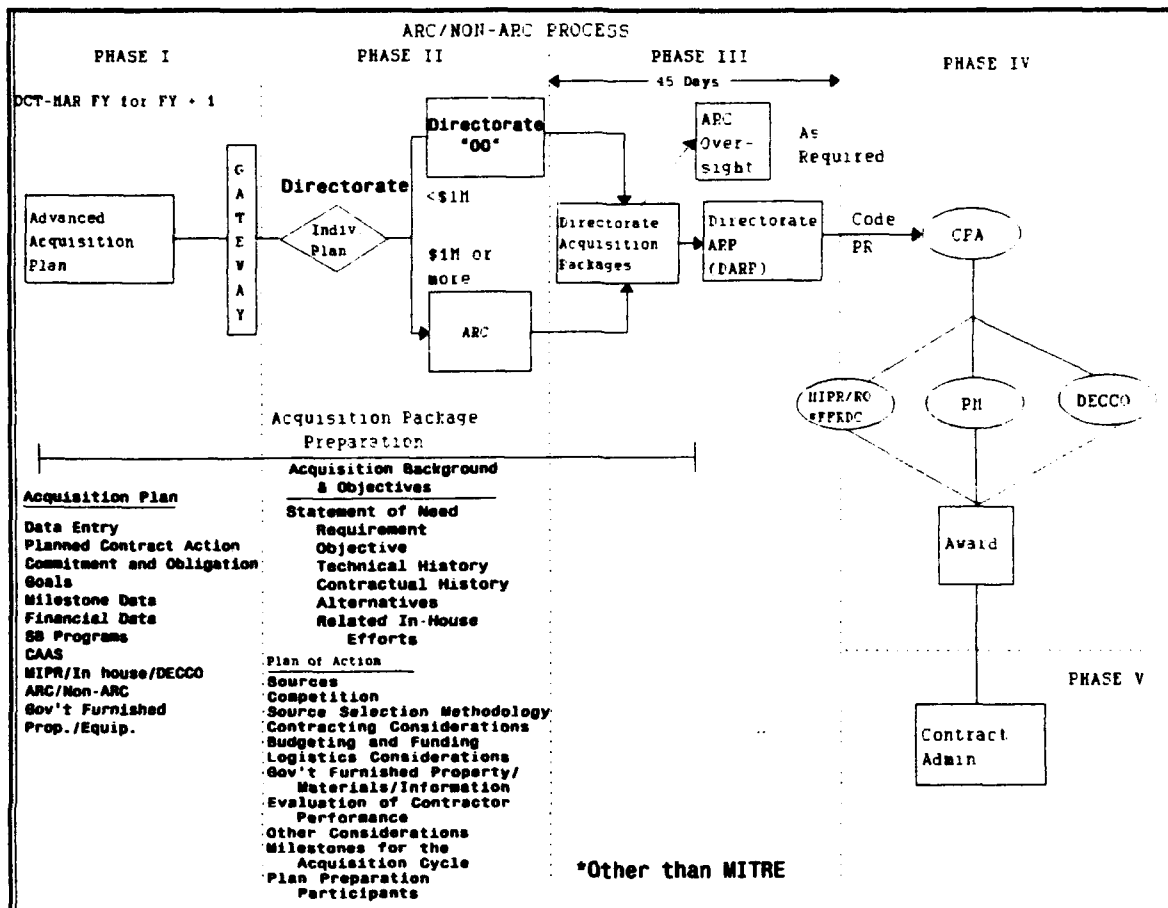
PURPOSE: Plan how the requirement will be acquired through a contract, and submit this plan to management for review.

RESPONSIBILITY (WHO HAS THE INFORMATION): The action officer has gathered the information while proceeding through the Gateway.

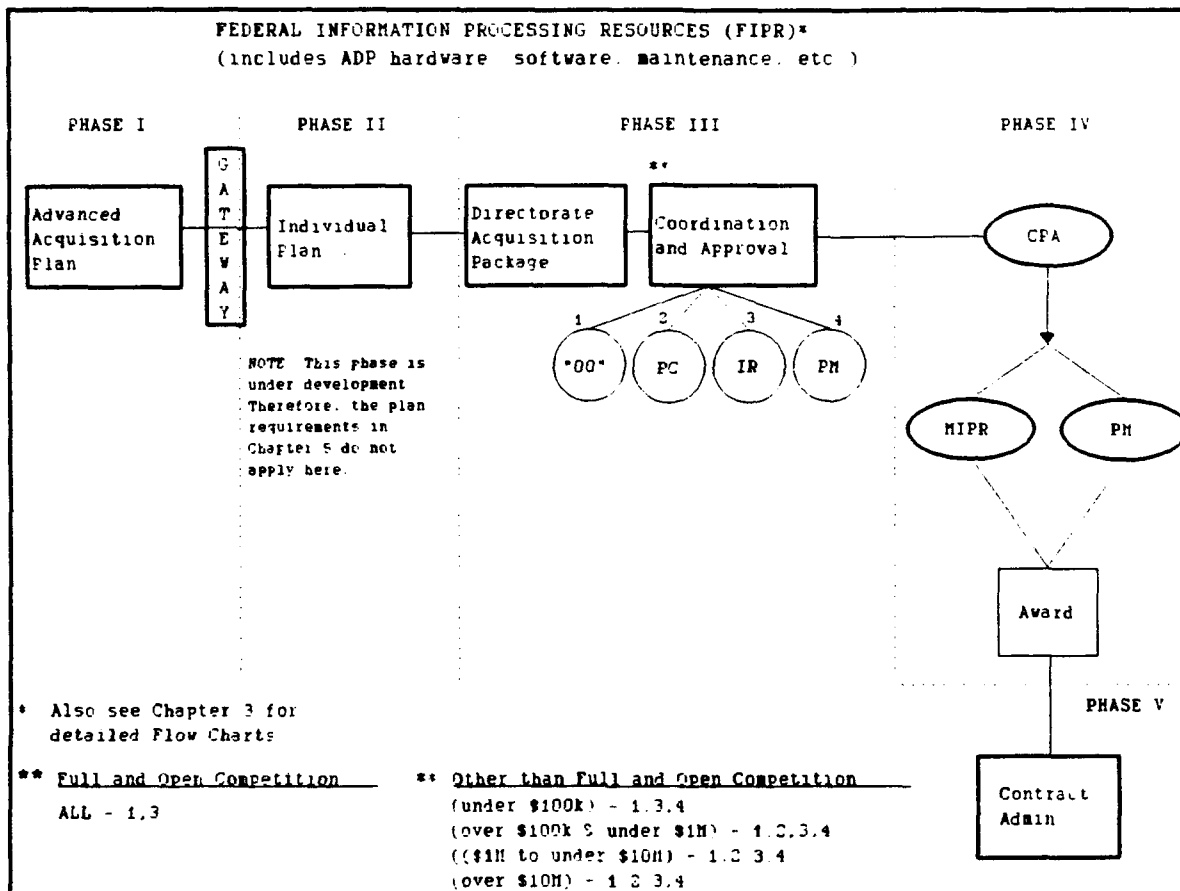
OUTPUT: A cohesive, well planned acquisition strategy, and the Directorate management's approval to pursue it.

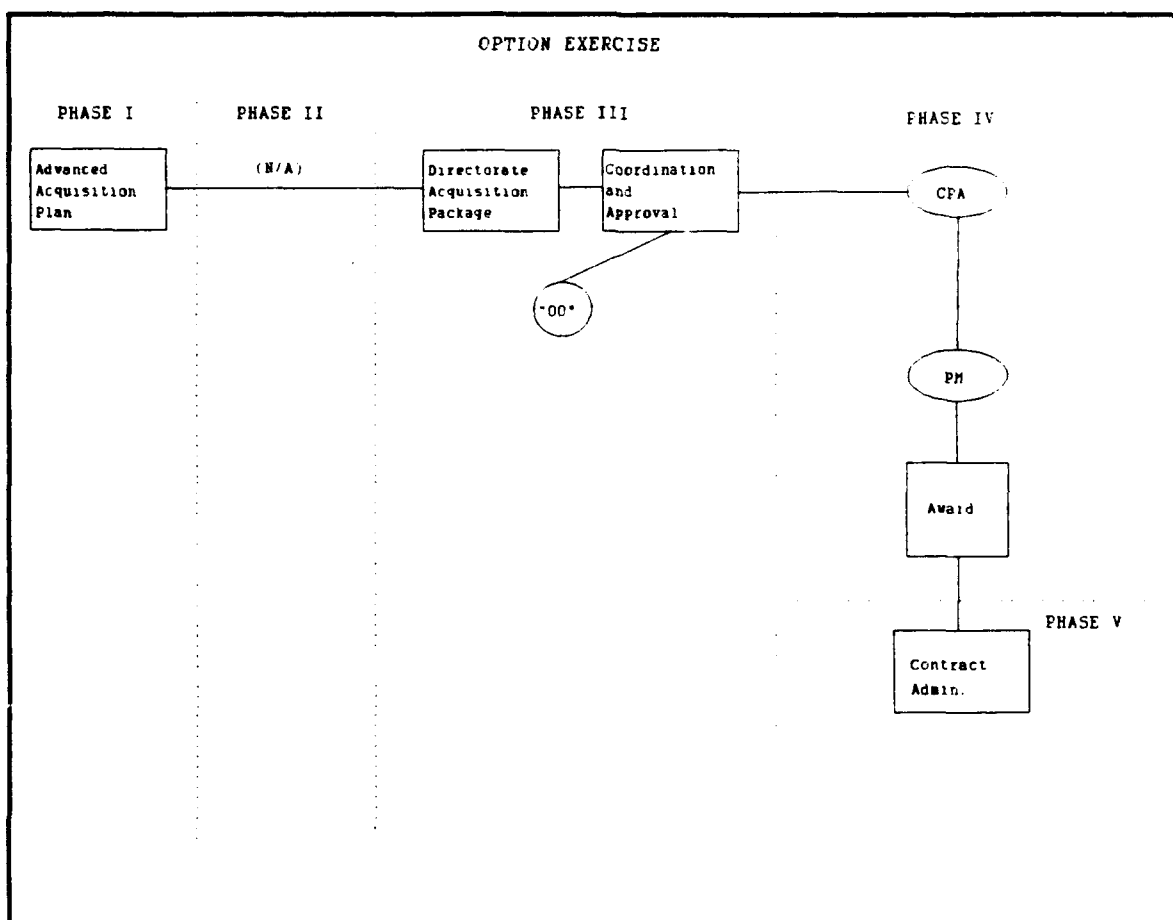
EXAMPLES: The action officer will produce a draft acquisition plan, schedule a meeting with the requisite managers in his organization, brief them on this strategy, and obtain their approval to proceed.

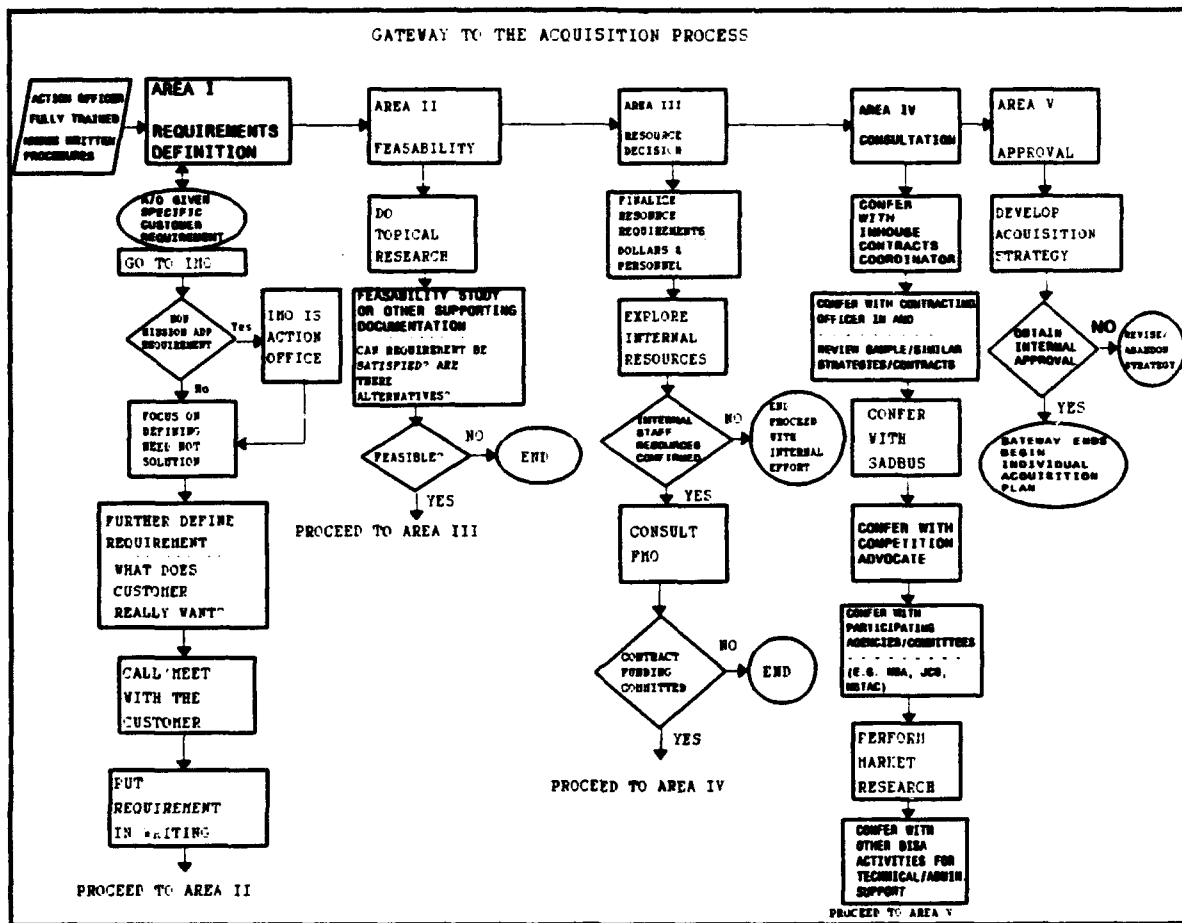
REFERENCES: "How-To" Guide, previous briefings and plans.











CHAPTER 2

ARC/NON-ARC ACQUISITION PACKAGES

CHAPTER 2ARC/NON-ARC ACQUISITION PACKAGES1. DEFINITION:

ARC (\$1M and over)/Non-ARC (over \$25K and under \$1M) acquisitions are those which are contracted by HQ DISA, Contract Management Division (Code PM), Joint Program Division (Code PJ) (hereinafter referred to as HQ acquisitions), contracted by DECCO and funded by DISA (hereinafter referred to as DECCO acquisitions), or contracted for DISA and OMNCS by other organizations using DISA funding (hereinafter referred to as MIPR/RO/FFRDC acquisitions) that support research and development, engineering, management, software development, software maintenance, and hardware maintenance.

A. WITHIN THE GENERAL DESCRIPTION ABOVE, ARC ACQUISITIONS INCLUDE:

(1) Purchase requests (acquisition packages) for award of commercial contracts.

(2) Military Inter-Departmental Purchase Requests (MIPR's), Reimbursable Orders (RO's), or Project Orders to other agencies for services or supplies which will be either performed in-house by Government employees or contracted out by the servicing agency (agency receiving the MIPR/RO).

(3) Administrative Service Requests or MIPR's submitted for Federally Funded Research and Development Center (FFRDC) services. (Although the MITRE acquisition is considered an ARC acquisition, the processing of MITRE acquisition packages is covered in a separate procedure.)

(4) Proposed modifications of DISA contracts (of which the acquisition plans were previously approved by the ARC) for any new/additional work (e.g., changed work, change orders, overruns, bridges/extensions) that are considered by the Contracting Officer not to be within the terms and conditions of the basic contract. The Head Contracting Activity (HCA) may waive the ARC for this type of acquisition, if the deviation from the original ARC approval is insignificant. See para 7d(2), page 2-26.

(5) Any proposed modifications of Non-ARC acquisitions that increase the aggregate dollar amount of the contract to \$1M and over.

B. FOR FURTHER CLARIFICATION, ARC ACQUISITIONS DO NOT INCLUDE:

- (1) Requests for supplies or administrative services which DSSW purchases;
- (2) Contract support furnished through host-tenant agreements;
- (3) Leased communications services or facilities;
- (4) Modifications of DISA contracts considered by the Contracting Officer within the scope of the contract (i.e., change orders, administrative changes, etc. See the Acquisition How-To Guide on Contract Administration for processing those types of modifications.); or
- (5) Purchase of off-the-shelf software regardless of the appropriations used.

2. RESPONSIBILITIES:

a. Directorate Heads - Ensure that fully competent, qualified Project Officers are appointed the responsibility of preparing and processing ARC acquisition packages and of monitoring subsequent contracts; that the Directorate Acquisition Review Committees (DARC) are established and run to ensure total quality management of all Directorate acquisition packages.

b. Project Officer (Also referred to as Action Officer) - Ensure the timely planning, preparation, and processing of ARC acquisition packages during PHASE II, Individual Plans through PHASE III, Acquisition Package Preparation, Review, and Approval. After Contract Award and in the case of DISA awarded ARC acquisitions, the Contracting Officer generally appoints this individual as Contracting Officer's Representative (COR) to monitor the contract.

3. CHECKLIST FOR ARC/NON-ARC ACQUISITION PACKAGES - NORMAL AND EXPEDITED PROCESSING: The sequence of steps for normal processing is described in paragraph 5 of this chapter. The sequence of steps for expedited processing is described in paragraph 6 of this chapter. The checklist below pertains to both normal and expedited processing. There are two exceptions for expedited processing. They are:

- (1) A Summary of Acquisition Strategy is required in lieu of an approved Individual Acquisition Plan, and

(2) An ARC/DARP waiver is required if the contract action is not supported by an approved Justification for Other Than Full and Open Competition based on "unusual and compelling urgency."

	ARC/non-ARC	MIPR/RO/FFRDL
a. DISA Forms 1A (E) & 1B (E) - Acquisition Package Approval & Coordination	Yes See Chapter 9	Yes See Chapter 9
b. DISA Form 94 - DISA Purchase Request (not required by DECCO)	Yes See Chapter 9	No See Chapter 9
c. DD Form 448 - Military Interdepartmental Purchase Request (For outgoing requirements to DOD agencies)	No	for MIPR ONLY See Chapter 9
d. DISA Form 125 (E) - Reimbursable Agreement/Order for Services between Federal Agencies (RO) (For outgoing requirements to civilian agencies)	No	for RO ONLY See Chapter 9
e. Administrative Service Request	Yes See Chapter 9	For FFRDC See Chapter 9
f. Incoming Orders (i.e. Interagency Agreements) (attach an info copy when funds are received from another agency)	Yes When Applicable	No
g. DISA Form 678 (E) - Acquisition Planning Data Entry Sheet	Yes See Chapter 9	Yes See Chapter 9
h. Approved Individual Acquisition Plan NOTE: Normal Processing only Source Lists are attached to Plans  OR  Summary of Acquisition Strategy NOTE: Expedited Processing only Source Lists are attached to the Summary	Yes See Chapter 5    Yes See Chapter 5	Yes See Chapter 5    Yes See Chapter 5
i. DISA Form 752 (E) - Independent Government Cost Estimate	Yes See Chapter 9	Yes See Chapter 9
j. Justification for Other Than Full and Open Competition	When Applicable See Chapter 7 Exhibit 7I	No
k. DD Form 254 - Contract Security Classification Specification (used where contractor has access to, or possession of classified information in connection with the contract performance)	Yes When Applicable and/or expired See Chapter 9	Yes When Requested by servicing organization See Chapter 9

	ARC/non-ARC	MIPR/RO/FFRDC
l. Statement of Work	Yes See Chapter 7 Exhibit 7B	Yes See Chapter 7 Exhibit 7B
m. DD Form 1423, 1423-1 or 1423-2 Contract Data Requirements List	Yes When data to be delivered See Chapter 9	Yes When data to be delivered See Chapter 9
n. DD Forms 1664 - Data Item Description	Yes When data to be delivered See Chapter 9	Yes When data to be delivered & requested by receiving acty
o. DD Form 1498 - Research & Technology Work Unit Summary Evaluation Plan (contact Code IAR)	Yes When research to be delivered See Chapter 9	Yes When research to be delivered & requested by recvg activity
p. Technical Evaluation Plan including Technical Evaluation Criteria NOTE: Mark document(s) "Source Selection Sensitive - FOUO"	Yes See Chapter 7 Exhibit 7G	No
q. Reading Room Bibliography (not required by DECCO)	Yes See Chapter 7 Exhibit 7D	No
r. Reading Room Material NOTE: <u>available</u> for DARC review only Bibliography included in acquisition package - upon DARC approval material should be forwarded directly to code PMC (not required by DECCO)	Yes See Chapter 7 Exhibit 7D	No
s. Cost-Plus-Award-Fee Performance Evaluation Criteria and Plan - NOTE: When CPAF type contract planned	Yes See Chapter 7 Exhibit 7E	No
t. Letter of Transmittal to DECCO	DECCO acquisition only	DECCO acquisition only
u. ARC/DARC Waiver or DARC Waiver	Yes See Chapter 2 para 7.d & 8.g	Yes See Chapter 2 para 7.d & 8.g



4. APPROVALS, COORDINATIONS, AND SIGNATURES:

FORM/DOCUMENT	WHO SIGNS	PURPOSE
a. DISA Form 1A (E)	Project Officer/COR  **Division Chief  **One level above Division Chief  FMO  Directorate Head or Deputy  Senior IRM (blk 4A)  Code PR  CPA  **Not required by Contracting organization Internal coordinations may be required by each Directorate but should be kept to a minimum.	Identify Action Officer  Coordinate  Coordinate  Coordinate  Approve  Certify Compliance  Review  Coordinate
b. DISA Form 94 (E)	Project Officer/COR (blk 8)  FMO (blk 13)  Directorate or Designee (blk 14)  CPA (blk 15)	Identify Action Officer  Approve Funds  Approve Funds  Certify availability of funds
c. DISA Form 125 (E)	Project Officer/COR (blk 9 - bottom)  FMO (blk 10)  CPA (blk 18)	Identify Action Officer  Approve Funds  Certify availability of funds

FORM/DOCUMENT	WHO SIGNS	PURPOSE
d. DD Form 448	Project Officer/COR (blk 9 - bottom)  FMO (blk 9 - bottom)  CPA (blk 15)	Identify Action Officer  Approve Funds  Certify availability of funds
e. DISA Form 678 (E)	FMO	Identify individual responsible for accurate information
f. Acquisition Plan	Project Officer/COR  Contracting Officer  Competition Advocate   Small Business Rep.   Directorate Head or designee	Propose Strategy  Agree to overall strategy  Agree to extent of competition and in the case of MIPR/RO to make determinations required by FAR 17.502  Agree to the extent of small business participation  Approve Strategy
g. Justification for Other Than Full and Open Competition  (See Chapter 7, Exhibit 7I for comprehensive explanation on approvals and certifications)  <b>NOTE: ALL APPROVALS OR CERTIFICATIONS ARE EITHER MANDATED BY FAR 6.303-2, 6.304 OR LAW (10 U.S.C. 2304(f))</b>	Project Officer/COR  Directorate Head  Contracting Officer   Activity Competition Advocate   Senior Procurement Executive	Certify Technical data complete & accurate  Validates certification and minimum need  <u>NOT EXCEEDING \$100K:</u> Certification & Approval  <u>OVER \$100K:</u> Certification  <u>OVER \$100K BUT NOT EXCEEDING \$1M:</u> Approval  <u>OVER \$1M:</u> Approval

FORM/DOCUMENT	WHO SIGNS	PURPOSE
h. DD Form 254	Project Officer/COR (blk 12)  Contracting Officer (blk 16)	Certify accuracy & completeness  Approving official
i. DD Forms 1423, 1423-1, 1423-2	Project Officer/COR (blk G)  Supervisor of Project Officer (blk I)	Identify preparer  Approving official (review need for contract data)

5. PROCEDURES SYNOPSISIZED - NORMAL PROCESSING. The paragraph headings that follow correspond with the phases identified in Chapter 1 and Chapter 1, Exhibit 1A, ARC/Non-ARC process flow chart.

PHASE I: ADVANCED ACQUISITION PLAN - This step is normally accomplished once a year when data are compiled for all upcoming acquisitions in a future fiscal year. In the event the proposed acquisition is not identified in the data base, the Project Officer should provide the appropriate summary data on the DISA Form 678 to the individual responsible for maintaining the Acquisition Planning data base for their Directorate:

STEP	ACTION	OPR
1	Submit Acquisition data to Directorate Data-Input Office on a DISA Form 678	Project Officer See Chapter 9
2	<u>Input</u> data into APTS Data Base	Directorate Data Input

PHASE II: INDIVIDUAL ACQUISITION PLANS - See Chapter 6 for guidance on conducting market research. The term "Individual Acquisition Plan" is synonymous with "Acquisition Plan" in Part 7 of the FAR. For DISA there are three types of plans: Contract, MIPR/RO/FFRDC (Commercial Contract), and MIPR/RO (Government Performance). Samples of each type are provided as exhibits in Chapter 5.

STEP	ACTION	OPR
3	<u>Conduct</u> Market Research	Project Officer
4	<u>Document</u> Market Research	Project Officer
5	<u>Prepare, Sign, &amp; Obtain approvals</u> on Individual Acquisition Plan	Project Officer
6	DO ONE OF THE FOLLOWING	
	<u>Approve</u> CONTRACT Plan	Contracting Officer Competition Advocate SADBUS Directorate Head
	<u>OR</u>	
	<u>Approve</u> MIPR/RO (Commercial Contract) Plan or MIPR/RO (Government Performance) Plan or FFRDC Plan	Competition Advocate Directorate Head

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STEP	ACTION	OPR
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	SKIP STEP 7 if the acquisition is \$1M and over	
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7	<u>Provide</u> One copy of approved plan to ARC Secretary.	Project Officer
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	SKIP STEPS 8-14 if the acquisition is under \$1M	
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8	<u>Provide</u> one original and 20 copies of Individual Acquisition Plan to ARC Secretary	Project Officer See Chapter 2, para 7
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9	Schedule ARC for review of Individual Acquisition Plan and notify Project Officer	ARC Secretary
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10	<u>Prepare</u> ARC Presentation	Project Officer See Chapter 2, Exh 2A
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11	<u>Present</u> Plan to ARC	In accordance with Directorate procedures (However, usually Project Officer)
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12	<u>Prepare</u> ARC minutes and <u>obtain</u> Chairman, ARC signature	ARC Secretary
-----		
13	<u>Sign</u> Plan	ARC Secretary
-----		
14	<u>Provide</u> original approved plan to Project Officer	ARC Secretary
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**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL** - Preparation and Approval of a Justification for Other Than Full and Open Competition - Although this is part of acquisition package preparation, processing justifications is separated because of the need to begin parallel with Acquisition Package Preparation to avoid delays in completing PHASE III. Also, if appropriate, processing justifications may occur parallel to Individual Acquisition Plan processing and approval. SEE CHAPTER 7, EXHIBIT 7W FOR CIRCUMSTANCES THAT REQUIRE JUSTIFICATION AND FOR JUSTIFICATION FORMAT.

STEP	ACTION	OPR
	SKIP STEPS 15-18 if a justification is not required	
15	<u>Prepare</u> and <u>sign</u> Justification for Other Than Full & Open Competition (JFOTF&OC)	Project Officer
16	<u>Obtain</u> JFOTF&OC approvals from Directorate Head and Contracting Officer	Project Officer
17	<u>Review</u> and <u>certify</u> JFOTF&OC	Directorate Head Contracting Officer
18	<u>THEN ONE OF THE FOLLOWING APPROVALS APPLIES</u> NOTE: THE CONTRACTING OFFICER WILL OBTAIN THE APPROPRIATE SIGNATURES	
	OVER \$25K - \$100K	Contracting Officer
	NOTE: The Contracting Officer's certification in STEP 17 is the approval	
	OR	
	OVER \$100K - \$1M	Activity Competition Advocate
	OR	
	OVER \$1M	Senior Procurement Executive

### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
19	<u>Prepare</u> DISA Form 1A (E) and 1B (E)	Project Officer See Chapter 9
20	DO ONE OF THE FOLLOWING	
	<u>FOR HQ DISA ONLY:</u> <u>Prepare &amp; sign</u> DISA Form 94 (E), DISA Purchase Request	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR FFRDC'S ONLY:</u> <u>Prepare</u> Administrative Service Request	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR MIPR ONLY:</u> <u>Complete</u> sections of DD Form 448, Military Interdepartmental Purchase Request	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR RO-ONLY:</u> <u>Complete</u> sections of DISA Form 125 (E) or other service agency form	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR DECCO ONLY:</u> <u>Document</u> availability of funds with FMO	Project Officer
21	<u>Prepare</u> Statement of Work	Project Officer See Chapter 7, Exh 7B
	SKIP STEPS 22-25 FOR MIPR/RO (Government Performance)	
22	<u>Prepare, sign &amp; date</u> DD Form 1423, 1423-1, or 1423-2, Contract Data Requirements List	Project Officer See Chapter 9
23	<u>Compile</u> and/or <u>prepare</u> DD Form 1664, Data Item Descriptions.	Project Officer See Chapter 9
24	<u>Prepare</u> DD Form 1498, Research and Technology Work Unit Summary	Project Officer See Chapter 9
25	<u>Prepare &amp; sign</u> DD Form 254, Contract Security Classification Specification	Project Officer See Chapter 9
26	<u>Prepare</u> DISA Form 752, Independent Government Cost Estimate	Project Officer See Chapter 9
	SKIP STEPS 27-28 for DECCO acquisitions, MIPR/RO/FFRDC (Commercial Contract), MIPR/RO (Government Performance)	
27	<u>Compile</u> Reading Room Diskette	Project Officer
28	<u>Prepare</u> Reading Room Diskette list	Project Officer See Chapter 7, Exh 7D

**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW AND APPROVAL  
(continued)**

STEP	ACTION	OPR
	SKIP STEP 29 if MIPR/RO/FFRDC (Commercial Contract or MIPR/RO (Government Performance)	
29	<u>Prepare</u> Evaluation Criteria & Source Selection Plan	Project Officer See Chapter 7, Exh 7G
	SKIP STEP 30 if contract not Cost-Plus-Award-Fee (CPAF), MIPR/RO/FFRDC (Commercial Contract), or MIPR/RO (Government Performance)	
30	<u>Prepare</u> CPAF Performance Evaluation Criteria and Plan	Project Officer See Chapter 7, Exh 7E
	SKIP STEPS 31-40 if NOT 8(a) (single source)	
31	<u>Prepare</u> simplified evaluation criteria to evaluate 8(a) presentations	Project Officer See Chapter 7, Exh 7F
32	<u>Arrange</u> schedule of 8(a) presentations (coordinated with 8(a) firms) & <u>invite</u> SADBUS	Contracting Officer
33	<u>Arrange</u> evaluation team of 2 to 3 technical personnel & Project Officer	Project Officer
34	<u>Provide</u> 8(a) firms with copy of SOW outline, completed DD Forms 1423, 1664, & 1498 (if applicable for R&D), & 254, evaluation criteria, date to respond with questions, and SIC code	Contracting Officer
35	<u>Attend</u> 8(a) presentations	Evaluation Team SADBUS Contracting Officer (time permitted)
36	<u>Evaluate</u> presentations & determine best 8(a) for the job	Evaluation Team
37	<u>Prepare</u> Memorandum documenting 8(a) recommendation	Project Officer
38	<u>Sign</u> Memorandum	Evaluation Team & SADBUS
39	<u>Obtain</u> Directorate Head endorsement in recommended 8(a) selection	Project Officer
40	<u>Concur/nonconcur</u> in selection by signing Memorandum in designated place	Directorate Head
41	<u>Compile</u> Acquisition package with documents below, as applicable:	Project Officer



### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
41	DISA Form 1A (E) & 1B (E) Approved Individual Acquisition Plan Justification for Other Than Full & Open Competition DISA Form 94 (E), DD Form 448, DISA Form 125 (E), or other funding document DISA Form 678 (E) DISA Form 752 Statement of Work DD Form 254 DD Form 1423, 1423-1, or 1423-2 DD Form 1664 DD Form 1498 SF 298 8(a)(single source) selection documentation	
42	<u>Obtain</u> internal Directorate coordinations in accordance with Directorate procedures	Project Officer
43	Request convening of Directorate Acquisition Review Committee (DARC) and <u>provide 10 copies</u> acquisition package to Directorate Acquisition Focal Point (for estimates of \$100,000 and more)	Project Officer See Chapter 2 para 8
44	<u>Provide</u> one copy of package to Code CPB (Program & Budget Division)	Project Officer
45	<u>Schedule</u> DARC and <u>disseminate</u> copies of acquisition package to DARC members	Directorate Acquisition Focal Point
46	<u>Attend</u> DARC and <u>provide</u> required & recommended changes to Project Officer in writing	Project Officer Contracting Officer Activity Comp. Advocate SADBUS FMO Acquisition Focal Point General Counsel
47	<u>Prepare</u> DARC minutes, <u>obtain</u> coordinations and <u>provide</u> copy to attendees	Directorate Acquisition Focal Point See Chapter 2, Exh 2B
48	<u>Return</u> package to Project Officer to make changes	Directorate Acquisition Focal Point
49	<u>Make</u> required changes to acquisition package	Project Officer

### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
50	<u>Present</u> acquisition package to Directorate Head for approval (include DARC minutes)	Directorate Acquisition Focal Point Project Officer
51	DO ONE OF THE FOLLOWING  <u>FOR HQ DISA acquisitions:</u> Sign DISA Forms 1A (E) and 94 signifying approval  <u>OR</u>	Directorate Head
52	<u>MIPR/RO/FFRDC and DECCO:</u> Sign DISA Form 1A (E)	Directorate Head
53	<u>Forward</u> package to ARC Secretary for quality check	Project Officer

### PHASE IV: FUNDS CERTIFICATION

STEP	ACTION	OPR
	SKIP STEPS 54-56 if DECCO acquisition	
54	<u>Forward</u> approved package to Code CPA	ARC Secretary
55	<u>Certify</u> funds on DISA Form 94 (E), DD Form 448, DISA Form 125 (E) (or other servicing agency form)	Code CPA See Chapter 9
56	<u>Forward</u> package to Code PM or for MIPR/RO/FFRDC <u>mail</u> DD Form 448, DISA Form 125 (E), Administrative Service Request (or other servicing agency form to servicing agency and <u>forward</u> remainder of package to Project Officer	Code CPA
	SKIP STEP 57 if HQ acquisition	
57	<u>Mail</u> appropriate acquisition documentation to servicing agency contracting point of contact	Project Officer
	SKIP STEP 58 if MIPR/RO/FFRDC	
58	<u>Forward</u> Reading Room material to Code PMC	Project Officer
	SKIP STEPS 59-60 if NOT DECCO acquisition	
59	<u>Obtain</u> a Telecommunications Service Request (TSR) number and Project Designator Code (PDC) from the Telecommunications Certification Office (TCO)	Project Officer

## PHASE IV: FUNDS CERTIFICATION (continued)

STEP	ACTION	OPR
60	<u>Prepare</u> letter of transmittal & <u>forward</u> to DECCO	Project Officer

6. PROCEDURES SYNOPSISIZED - EXPEDITED PROCESSING. Expedited procedures may be followed when one of the following two cases applies:

CASE 1: ARC and DARC review are not required for acquisitions approved for other than full and open competition based on "unusual and compelling urgency" in accordance with FAR Subpart 6.302-2. See Chapter 7, Exhibit 7I, for further discussion on the use of this authority. Because the approved justification serves as a "de facto" ARC and DARC waiver approval, a separate written ARC or DARC waiver is not required for this type of acquisition.

NOTE: All bridges to existing contracts will require ARC and DARC reviews, regardless of the urgency. Steps 34 and 35 on page 2-21 must be complied with.

Case 2: ARC and DARC reviews are not required for an outgoing MIPR/RO/FFRDC when unusual and compelling urgency exists. In this case, an ARC/DARC waiver is required documenting the urgency.

PHASE I: ADVANCED ACQUISITION PLAN - This step is normally accomplished once a year when data are compiled for all upcoming acquisitions in a future fiscal year. In the event the proposed acquisition is not identified in the data base, the Project Officer should provide the appropriate summary data on the DISA Form 678 to the individual responsible for maintaining the Acquisition Planning data base for their Directorate:

STEP	ACTION	OPR
1	<u>Submit</u> Acquisition data to Directorate Data Input Office on a DISA Form 678	Project Officer See Chapter 9
2	<u>Input</u> data into Annual Acquisition Plan Data Base	Directorate Data Input

PHASE II: NOTE PHASE II IS SKIPPED

### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL

STEP	ACTION	OPR
3	<u>Prepare</u> DISA Form 1A (E) and 1B (E)	Project Officer Chapter 9
4	<u>Prepare</u> Summary of Acquisition Strategy	Project Officer See Chapter 5
5	<u>Conduct</u> DTIC search and <u>document</u> in Summary of Acquisition Strategy	Project Officer
6	DO ONE OF THE FOLLOWING <u>FOR HQ DISA ONLY:</u> <u>Prepare</u> & <u>sign</u> DISA Form 94 (E), DISA Purchase Request  <u>OR</u> <u>FOR FFRDC'S ONLY:</u> <u>Prepare</u> Administrative Service Request  <u>OR</u> <u>FOR MIPR ONLY:</u> Complete sections of DD Form 448, Military Interdepartmental Purchase Request  <u>OR</u> <u>FOR RO ONLY:</u> Complete sections of DISA Form 125 (E) or other service agency form  <u>OR</u> <u>FOR DECCO ONLY:</u> <u>Document</u> funds availability with FMO	Project Officer & FMO See Chapter 9  Project Officer & FMO See Chapter 9  Project Officer & FMO See Chapter 9  Project Officer & FMO See Chapter 9  Project Officer
7	<u>Prepare</u> Statement of Work	Project Officer See Chapter 7, Exh 7B
	SKIP STEPS 8-11 FOR MIPR/RO (Government Performance)	
8	<u>Prepare</u> , <u>sign</u> & <u>date</u> DD Form 1423, 1423-1, or 1423-2, Contract Data Requirements List	Project Officer See Chapter 9
9	<u>Compile</u> and/or <u>prepare</u> DD Form 1664, Data Item Descriptions	Project Officer See Chapter 9
10	<u>Prepare</u> DD Form 1498, Research and Technology Work Unit Summary	Project Officer See Chapter 9
11	<u>Prepare</u> & <u>sign</u> DD Form 254, Contract Security Classification Specification	Project Officer See Chapter 9

# PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
12	<u>Prepare</u> DISA Form 752, Independent Government Cost Estimate	Project Officer See Chapter 9
	SKIP STEPS 13-14 for DECCO acquisitions, MIPR/RO/FFRDC (Commercial Contract), MIPR/RO (Government Performance)	
13	<u>Compile</u> Reading Room Diskette	Project Officer
14	<u>Prepare</u> Reading Room Diskette list	Project Officer See Chapter 7, Exh 7D
	SKIP STEP 15-16 for MIPR/RO/FFRDC (Commercial Contract) and MIPR/RO (Government Performance)	
15	<u>Prepare</u> Evaluation Criteria & Source Selection Plan	Project Officer See Chapter 7, Exh 7G
	SKIP STEP 16 if contract not Cost-Plus-Award-Fee (CPAF), MIPR/RO/FFRDC (Commercial Contract), or MIPR/RO (Government Performance)	
16	<u>Prepare</u> CPAF Performance Evaluation Criteria and Plan	Project Officer See Chapter 7, Exh 7E
	SKIP STEPS 17-26 if NOT 8(a) (single source)	
17	<u>Prepare</u> simplified evaluation criteria to evaluate 8(a) presentations	Project Officer See Chapter 7, Exh 7F
18	<u>Arrange schedule</u> of 8(a) presentations (coordinated with 8(a) firms) & <u>invite</u> SADBUS	Contracting Officer
19	<u>Arrange evaluation team</u> of 2 to 3 technical personnel & Project Officer	Project Officer
20	<u>Provide 8(a) firms</u> with copy of SOW outline, completed DD Forms 1423, 1664, & 1498 (if applicable for R&D), & 254, evaluation criteria, date to respond with questions, and SIC code	Contracting Officer
21	<u>Attend</u> 8(a) presentations	Evaluation Team SADBUS Contracting Officer (time permitted)
22	<u>Evaluate presentations</u> & determine best 8(a) for the job	Evaluation Team
23	<u>Prepare Memorandum</u> documenting 8(a) recommendation	Project Officer

## PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
24	<u>Sign</u> Memorandum	Evaluation Team
25	<u>Obtain</u> Directorate Head concurrence in recommended 8(a) selection	Project Officer
26	<u>Concur/nonconcur</u> in selection by signing Memorandum in designated place	Directorate Head

PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL - Preparation and Approval of a Justification for Other Than Full and Open Competition citing "unusual and compelling urgency" as defined in FAR Subpart 6.302-2 (see Chapter 7 Exhibit 7I) - Time permitted, it is strongly recommended that processing of this type of Justification should be concurrent with the acquisition package approval. The FAR permits the approval of Justifications under these circumstances after the acquisition has been processed. However, this is permitted in extremely unusual and compelling circumstances, should happen very rarely in DISA. Advance approval by the Competition Advocate to process this type of Justification after acquisition package preparation and approval is required.

SEE CHAPTER 7, EXHIBIT 7W FOR CIRCUMSTANCES THAT REQUIRE JUSTIFICATION AND FOR JUSTIFICATION FORMAT.

STEP	ACTION	OPR
	SKIP STEPS 27-30 if a justification is not required	
27	<u>Prepare</u> and <u>sign</u> Justification for Other Than Full & Open Competition (JFOTF&OC)	Project Officer
28	<u>Obtain</u> JFOTF&OC approvals of Directorate Head and Contracting Officer	Project Officer
29	<u>Review</u> and <u>certify</u> JFOTF&OC	Directorate Head Contracting Officer

PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND  
APPROVAL (continued)

STEP	ACTION	OPR
30	<p><u>THEN ONE OF THE FOLLOWING APPROVALS APPLIES</u>  OVER \$25K - \$100K  NOTE: Contracting Officer's certification in  NOTE: THE CONTRACTING OFFICER WILL OBTAIN THE  APPROPRIATE SIGNATURES. STEP 29 is approval</p> <p><u>OR</u></p> <p>OVER \$100K - \$1M</p> <p><u>OR</u></p> <p>OVER \$1M</p>	<p>Contracting Officer</p> <p>Activity Competition Advocate</p> <p>Senior Procurement Executive</p>
31	<p><u>Compile</u> Acquisition package with documents  below, as applicable:</p> <p>DISA Form 1A (E) &amp; 1B (E)  Summary Acquisition Strategy  Justification approval document  DISA Form 94 (E), DD Form 448,  DISA Form 125 (E), or  other funding document  DISA Form 678 (E)  DISA Form 752  Statement of Work  DD Form 254  DD Form 1423, 1423-1, or  1423-2  DD Form 1664  DD Form 1498  SF 298  8(a) (single source) selection  documentation</p>	<p>Project Officer</p>
32	<p><u>Obtain</u> internal Directorate coordinations  in accordance with Directorate procedures</p>	<p>Project Officer</p>

**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL** Expedited Acquisition Package Approval - Supported by a written Justification for Other Than Full and Open Competition based on "unusual and compelling urgency". Approval also denotes approval to waive the ARC and/or DARC and the need for an individual plan.

STEP	ACTION	OPR
	SKIP STEPS 33-35 if MIPR/RO/FFRDC (Commercial Contract) or MIPR/RO (Government Performance)	
33	DO ONE OF THE FOLLOWING	
	<u>FOR HQ ACQUISITIONS:</u> Obtain concurrence of acquisition package on DISA Form 1A (E) from Agency Competition Advocate (Code PC) and Contracting Officer (Code PM)	Project Officer
	AND	
	<u>Sign</u> DISA Forms 94 (E), 1A (E)	Directorate Head
	<u>FOR DECCO ACQUISITIONS:</u> Obtain concurrence of acquisition on DISA Form 1A (E) from Directorate Head and Agency Competition Advocate (Code PC)	Project Officer
34	<u>Notify</u> ARC Secretary of the expedited action by providing a copy of the Justification, DISA Form 1 (A), and Summary Acquisition Strategy	Project Officer
35	<u>Notify</u> ARC Chairman of an expedited action and "de facto" ARC and DARC Waiver	ARC Secretary

**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL** Expedited Acquisition Package Approval - For urgent MIPR/RO/FFRDC acquisitions - ARC/DARC Waivers are for acquisitions \$1M and over. The waiver approval waives the ARC, DARC, and the requirement for an Individual Acquisition Plan.

STEP	ACTION	OPR
	SKIP STEP 36 if under \$1M and SKIP STEPS 36-38 if NOT MIPR/RO/FFRDC	
36	<u>Draft</u> ARC/DARC Waiver	Project Officer See Chapter 2, para 7.d
	SKIP STEP 38 if over \$25K and under \$1M	



**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL: Expedited Acquisition Package Approval - For urgent MIPR/RO/FFRDC acquisitions (continued)**

STEP	ACTION	OPR
37	<u>Draft</u> DARC Waiver	Project Officer See Chapter 2, para 8.g
38	<u>Obtain</u> concurrence of acquisition package and ARC/DARC Waiver or DARC Waiver on Waiver and DISA Form 1A (E) from Agency Competition Advocate (Code PC) AND <u>Sign</u> ARC/DARC Waiver (or DARC Waiver) and DISA Form 1A (E)	Project Officer  Directorate Head
	SKIP STEPS 39-40 if under \$1M	
39	<u>Forward</u> ARC/DARC Waiver to ARC Chairman for Approval	ARC Exec Secretary
40	<u>Sign</u> ARC/DARC Waiver	Chairman, ARC
41	<u>Provide</u> one copy of approved ARC/DARC Waiver or DARC Waiver, signed DISA Form 1A (E), and Summary Acquisition Strategy to ARC Secretary	Project Officer

**PHASE IV: FUNDS CERTIFICATION**

STEP	ACTION	OPR
	SKIP STEPS 42-46 if DECCO acquisition	
42	<u>Forward</u> approved package to Code CPA	ARC Secretary
43	<u>Certify</u> funds on DISA Form 94 (E), DD Form 448, DISA Form 125 (E) (or other servicing agency form)	Code CPA See Chapter 9
44	<u>Forward</u> package to Code PM or for MIPR/RO/FFRDC <u>mail</u> DD Form 448, DISA Form 125 (E), Administrative Service Request, (or other servicing agency form to servicing agency and <u>forward</u> remainder of package to Project Officer	Code CPA
	SKIP STEP 45 if HQ acquisition	
45	<u>Mail</u> appropriate acquisition documentation to servicing agency contracting point of contact	Project Officer
	SKIP STEP 46 if MIPR/RO/FFRDC	
46	<u>Forward</u> Reading Room material to Code PMC	Project Officer
	SKIP STEPS 47-48 if NOT DECCO acquisition	

## PHASE IV: FUNDS CERTIFICATION

STEP	ACTION	OPR
47	<u>Obtain</u> a Telecommunications Service Request (TSR) number and Project Designator Code (PDC) from the Telecommunications Certification Office (TCO)	Project Officer
48	<u>Prepare</u> letter of transmittal & <u>forward</u> to DECCO	Project Officer

## 7. THE ACQUISITION REVIEW COMMITTEE

### a. Purpose.

(1) The Acquisition Review Committee (ARC) is a command decision body of the Agency (rather than an acquisition body) with three primary purposes: (a) validation of an operational need, (b) validation that functional requirements of the proposed effort meets the need, and (c) command decision to proceed and to commit DISA resources. In addition, the ARC serves to provide acquisition oversight as an advisory body to the Director and Deputy Director and serves as a forum for communicating ideas about acquisition policy, strategy, and procedures. The Director or Deputy Director will make all final determinations with regard to acquisition actions reviewed by the ARC.

(2) The ARC will review the Agency's annual acquisition plan as well as approve individual contract plans for contractual support services of \$1,000,000 or more prior to solicitation or their being sent to another agency for contracting or performance on a reimbursable basis. All individual acquisition plans scheduled for ARC must be received by the ARC Executive Secretary in the Acquisition Planning and Procedures Office, Code PR, at least one week prior to the scheduled ARC. ARC meetings are scheduled for every Thursday at 1400 hours. These plans must be complete with all required signatures and submitted with one (1) original and twenty (20) copies.

b. Functions. The oversight functions of the ARC are to ensure that:

(1) Contractual resources are allocated to valid requirements in accordance with overall guidance or decisions provided during the planning, programming, and budgeting system cycle or any special guidance provided by the Director, DISA/Manager, NCS.

(2) Unnecessary duplication of work does not exist and needed integration among work efforts is identified.

(3) Each organization performs acquisition planning consistent with the Federal Acquisition Regulation (FAR) and executes its acquisition program according to its plan. Special attention will be given to achieving competitive and small and disadvantaged business goals and affording contracting opportunities for women-owned small businesses, historically Black colleges and universities (HBCU's), and minority institutions (MI's).

(4) The results of previous acquisition actions as they relate to a proposed acquisition action are properly considered to ensure adequate provisions have been made for future related contractual actions.

(5) The proposed acquisition planning strategy and sources are appropriate and the resources available are sufficient and appropriate.

(6) Acquisition policy encompassed in the FAR, DOD FAR Supplement (DFARS), and internal Agency procedures has been followed.

c. Membership and Attendance.

(1) The following will constitute the regular membership of the ARC:

Deputy Director, DISA (Chairman)  
General Counsel  
Comptroller  
Dir, Defense Network Systems Organization  
Dir, Integrated Planning & Assessment  
Dep Dir, Operations, Customer Relations and Services  
Dir, DISA Information Systems Program Organization  
Chief Information Officer  
Dir, Defense Systems Support Organization  
Dep Manager, National Communications System  
Dir, Acquisition Management Organization  
Dir, Joint Operability & Engineering Organization

(2) Advisory members (non-voting) to the ARC are:

Small Business Utilization Specialist  
Competition Advocate  
Chief, Contract Management Division

(3) The Director, AMO will provide an individual without voting rights to function as ARC Executive Secretary.

(4) Members of the ARC may designate a representative (the next immediate assistant) to act in their absence after prior notification to the ARC Executive Secretary. Attendance by the member or representative is mandatory.

(5) Special ARC meetings will be held for acquisitions requiring such actions; e.g., Code PJ acquisitions. Membership on the ARC for these plans will be limited as determined by the Chairman. The Director, AMO will ensure the action of the ARC is appropriately recorded.

d. ARC Waivers.

(1) The Chairman, ARC may choose to waive a normally required presentation of an acquisition plan to the ARC. In general, a waiver will be granted only in the case of truly urgent requirements or unusual circumstances. It will not be granted to overcome poor planning or poor plan execution.

(2) A written request for a waiver is required and will be prepared by the requiring activity and submitted through the ARC Executive Secretary to the Chairman, ARC. The waiver, at a minimum, must explain the reason for the waiver, state the period of performance and the estimated cost of the acquisition. An ARC waiver must be prepared as a Memorandum for Record with an approval line for signature of the Chairman, ARC and submitted to the ARC Executive Secretary. If the waiver is approved, the acquisition may still be briefed at a future ARC meeting, after the package has been processed and executed. See Exhibit 2A-2 for the format of an ARC waiver.

(3) When an acquisition is approved for other than full and open competition based on "unusual and compelling urgency," the approved Justification constitutes the written ARC waiver. See Chapter 2, paragraph 6 for further information.

8. DIRECTORATE ACQUISITION REVIEW COMMITTEE (DARC)

a. All acquisition packages must undergo the Directorate Acquisition Review Process (DARP); i.e., proper coordination, approval, and review must be obtained in order to be ready for solicitation or forwarding to another agency for contract.

b. Purpose. DARCs will convene for final approval of acquisition packages estimated at \$100,000 to be solicited for contract or forwarded to another agency for contract. (Options should be included in the basic acquisition package and will not be subject to presentation before a DARC.) DARCs shall meet early in the acquisition process (as soon as a draft acquisition package is available) to allow adequate time for revisions without affecting the planned acquisition milestones.

c. DARC Procedures. Each DISA Directorate and the OMNCS shall establish a DARC with associated written procedures to review acquisition plans and acquisition packages for contractual support services.

d. Functions. The DARC shall ensure as a minimum that:

(1) The requirements reflected in the statement of work are valid and documented.

(2) The proposed action represents a sound business judgment from the Government viewpoint and is the best alternative for accomplishing the work.

(3) The statement of work is clearly written, specifies well-defined deliverables, is complete, does not involve the performance of an inherent Government function, and represents the most economical means to achieve desired results.

(4) The source of required funding is identified, and the funding is from the correct appropriation and fiscal year.

(5) The feasibility of using a small business or small disadvantaged business concern has been considered, and the DISA SADBUS is consulted, as appropriate.

(6) The prescribed forms are used, required justifications are adequate, and an independent Government cost estimate has been developed.

(7) The Statement of Work does not request an excessive number of copies of deliverables.

(8) Inter-Directorate coordination should be considered whenever there is a remote possibility that contract efforts may overlap or duplicate on-going or planned efforts.

(9) Competition is considered for all acquisition packages.

d. Membership and Attendees:

(1) Membership of the DARC shall include representatives who are empowered with authority to actually concur in the acquisition package during the DARP. The following constitutes the regular membership of the DARC:

Activity Director or designee (Chairperson)  
Office of Primary Responsibility Representatives (Tech Support & Admin)  
Associate Director (For RDT&E)  
General Counsel  
Small and Disadvantaged Business Utilization Specialist  
Competition Advocate  
Cost and Program Analysis  
DSA Division (when using CSIF)  
Contract Management Division (For HQ-acquisitions)  
Financial Management Office  
Information Resources Management

(2) Members may designate a representative (the next immediate assistant) to act in their absence. Attendance by the member or designated representative is mandatory.

(3) Other attendees are authorized at the discretion of the Chairperson.

(4) Comments shall be provided in writing to the Project Officer. This may be in the form of a legibly marked-up copy of the acquisition package.

e. Acquisition Packages for DARC Review. See paragraph 2 for a checklist of documents that are to be provided to the DARC members. All acquisition packages scheduled for DARC shall be distributed to each member at least one week prior to the scheduled DARC. This will allow members the opportunity to review and coordinate the package internal to his/her organization prior to the DARC.

f. DARC Minutes. The DARC Minutes are key to total quality management of the acquisition package. They should be adequately clear and detailed for the Project Officer to use as a guide in modification of the acquisition package, to correctly document the concerns, comments, and agreements reached of the key acquisition officials attending the DARC. The Directorate is responsible for ensuring that minutes are prepared for each DARC and that they become an integral part of each acquisition package. See Exhibit 2B for the format to be used for DARC minutes.

g. DARC Waivers.

(1) For acquisitions \$1M and over, the ARC Waiver is also considered a DARC Waiver. For acquisitions \$100,000 and over, the Directorate Head and Contracting Officer may choose to waive presentation of an acquisition package to the DARC. In general, a waiver will be granted only in the case of truly urgent requirements. It will not be granted to overcome poor planning or poor plan execution.

(2) Written requests for waivers (memorandums for record) are required and will be prepared by the sponsoring activity and processed in accordance with Chapter 2, paragraph 6, PHASE III (For expedited acquisitions). All mandatory coordination (i.e., Agency Competition Advocate, as applicable) must have occurred before submission for approval by the Directorate Head. Appropriate documentation must also be attached to the waiver.

(3) When an acquisition is approved for other than full and open competition based on "unusual and compelling urgency," the approved Justification constitutes the written DARC waiver. See Chapter 2, paragraph 6, for further information.



PRESENTATION AGENDA

ACQUISITION BACKGROUND

- O REQUIREMENT
- O OBJECTIVE
- O TECHNICAL HISTORY
- O ACQUISITION LEAD TIME
- O DELIVERY/PERFORMANCE PERIOD

PLAN OF ACTION

- O SOURCES
- O SOURCE-SELECTION METHODOLOGY
- O TYPE OF CONTRACT
- O BUDGETING AND FUNDING
- O SMALL BUSINESS PROGRAMS
- O EVALUATION OF CONTRACTOR PERFORMANCE
- O MILESTONES FOR THE ACQUISITION CYCLE

ARC WAIVER FORMAT

MEMORANDUM FOR RECORD

Date

SUBJECT:           ARC Waiver, Purchase Request Number \_\_\_\_\_

1. State reason for waiver
2. State period of performance or date of delivery of acquisition.
3. State budgeting and funding considerations.
4. State other essential considerations.
5. Discuss alternatives other than ARC waiver.
6. It is recommended that the request for ARC waiver of Purchase Request Number \_\_\_\_\_ be approved.

SIGNATURE OF DIR OF ORGANIZATION

APPROVED:

\_\_\_\_\_  
(SIGNATURE OF ARC CHAIRMAN)

\_\_\_\_\_  
DATE

Copy to:   ARC Executive Secretary

## DARC MINUTES FORMAT

1. Date, Time, Location, and Attendees2. Project Summary

Provide a single paragraph short summary of the effort. Indicate purchase request number, title, type of competition, appropriation, and the date required to be on contract.

3. Resources By Fiscal Year

Identify the source and availability of funds for this effort. Additionally, identify the specific Technical Staff Month efforts expected to accomplish the effort.

4. Chairpersons Comments

Capture the comments of the chairperson and any pertinent guidance presented by the chair.

5. Concerns and Comments

Identify the specific concerns raised during the ARP that required modification to the acquisition package. These concerns are major in that failure to make the required modifications to the package would prevent further contractual action to take place.

6. Responsibilities and Tasks

Identify; What must be done, Who must do it, and When it must be done. Use a separate paragraph for each task.

7. Objections

Objections of members who do not agree with the consensus of opinions will be included if these members so desire. These objections will be drafted by those members in order to accurately reflect such concerns.

8. Signature Blocks

The minutes should be signed by the Deputy Director or his designated individual.

CHAPTER 3

FEDERAL INFORMATION PROCESSING (FIP) RESOURCE ACQUISITION  
PACKAGES

CHAPTER 3FEDERAL INFORMATION PROCESSING (FIP) RESOURCE ACQUISITION  
PACKAGES1. DEFINITION

Federal information processing (FIP) resources mean automatic data processing equipment (ADPE) as defined in Public Law 99-500 and as set out in paragraphs a. and b. of this definition.

a. Any equipment or interconnected system or subsystems of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception, of data or information:

(1) By a Federal Agency, or

(2) Under a contract with a Federal Agency which:

(a) Requires the use of such equipment, or

(b) Requires the performance of a service or the furnishings of a product which is produced or performed making significant use of such equipment.

b. Such term includes:

(1) Computers;

(2) Ancillary equipment;

(3) Software, firmware, and similar procedures;

(4) Services, including support services; and

(5) Related resources as defined by regulations issued by the Administrator of General Services.

c. For purposes of FIRMR applicability, the phrase "significant use" of FIP resources means:

(1) The service or product of the contract could not reasonably be produced or performed without the use of FIP resources; and

(2) The dollar value of FIP resources expended by the contractor to perform the service or furnish the product is expected to exceed \$500,000 or 20 percent of the estimated cost of the contract, whichever amount is lower.

d. The term, FIP resources, includes FIP equipment, maintenance, software, services, support services, and related supplies. These terms are defined as follows and are limited by the definition of ADPE in paragraphs (a) and (b) of this definition.

(1) FIP equipment means any equipment or interconnected system or subsystems of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. FIP equipment includes the following:

(a) Data processing and switching equipment, such as supercomputers, mainframes, minicomputers, microcomputers, analog and digital private branch exchanges (PBX);

(b) Ancillary equipment, such as disk drives, tape drives, plotters, printers, storage and backup devices cable connected to computers, digital imaging equipment, optical storage and/or retrieval equipment, source data automation/recording equipment (e.g., optical character recognition devices, computer-generated microfilm and other data acquisition devices), punched card accounting equipment, and office automation equipment that was designed for use in conjunction with or controlled by a computer system; and

(c) Telecommunications networks and related equipment, such as voice communications networks; data communications networks; local area networks; terminals; modems; data encryption devices, fiber optics and other communications networks; packet switching equipment; terrestrial carrier equipment (e.g., multiplexers and concentrators); lightwave, microwave or satellite transmission and receiving equipment; telephonic (including cellular) equipment; and facsimile equipment.

(2) FIP maintenance means those examination, testing, repair, or part replacement functions performed on FIP equipment and software. Examples of FIP maintenance are preventive and remedial equipment diagnostic and repair services, a field engineering change or field modification to FIP equipment, and modifications and upgrades to FIP software.

(3) FIP software means any software, including firmware, specifically designed to make use of and extend the capabilities of FIP equipment. FIP software examples include systems programs (e.g., control and library programs, assemblers, compilers, interpreters, utility programs, sort-merge programs, and maintenance-diagnostic programs); application programs; and commercially-available programs (e.g., word processing, communications, graphics, file-management and data base management system software). The term also encompasses independent subroutines; related groups of routines; sets or systems of programs; data bases; and software documentation.

(4) FIP services means any service, other than FIP support services, performed or furnished by using FIP equipment or software. Examples of FIP services include teleprocessing, local batch processing, electronic mail, voice mail, centrex, cellular telephone, facsimile, and packet switching of data.

(5) FIP support services means any commercial nonpersonal services used in support of FIP equipment, software, or services. Examples of FIP support services are source data entry; computer output microfilming; software conversion; training; planning for FIP resources; capability and performance validation; studies (e.g., requirements analyses, analyses of alternatives, and conversion studies); facilities management of Government-furnished FIP equipment; custom software development; systems analysis and design; equipment operation; network management; network analysis and design; site preparation; and computer performance evaluation and capacity management.

(6) FIP related supplies means any consumable item designed specifically for use with FIP equipment, maintenance, software, services, or support services. Examples of FIP related supplies include telecommunications fuses and connectors; floppy diskettes; CD-ROM and laser optical disks; backup cartridges; cables and wires; print wheels; print ribbons; ink for ancillary equipment; printer paper; FIP equipment cleaning kits; magnetic tape; magnetic disks; and all other similar items designed specifically for use with FIP equipment in the creation, transmission, and maintenance of automated information, data, records, or files.

## 2. APPLICABILITY

The procedures in this Chapter apply to FIP resource acquisitions above and below \$25,000.

## 3. RESPONSIBILITIES

a. The Acquisition Management Organization is responsible for acquisition management which includes awarding and administering contracts and for overall direction of acquisition policies and procedures to include those governing acquisition of Federal Information Processing (FIP) Resources.

b. The Chief Information Officer (CIO/Code IA) is designated the DISA Senior Information Resource Management (IRM) Representative and is accountable for acquisitions conducted under the authority of the Brooks Act, including compliance with applicable FIRMR policies and procedures.

c. Each activity is responsible for the completion and processing of packages originating within their respective organizations. FIPR related acquisitions should be reviewed at the activity level the same as other acquisition packages are reviewed, through Directorate Acquisition Review Panels (DARP).

#### 4. DELEGATION PROGRAM FOR IRM REVIEW

A program for delegating IRM review and approval by Directorates is managed by the Information Resources Management Division (Code IR). The purpose of this program is to expedite acquisitions through a degree of decentralization by permitting local review and approval for Directorate IRM related programs. As a minimum, Directorate review programs will include reviews of areas identified in Chart G of Exhibit 3B. Delegations will be based on prior performance, the proposed reviewing individual's knowledge of the Federal Information Resources Management Regulation (FIRMR), and completion of specified training courses. Code IR will contact each Directorate to lay the groundwork for delegations, or Directorates may apply, in writing. This delegation program only extends to competitive acquisitions.

#### 5. APPLICABILITY OF CHAPTER 5, ACQUISITION PLANNING

FIPR acquisitions in DISA undergo various reviews and are subjected to a special planning process (which includes acquisition planning) identified in the FIRMR. FIPR acquisitions in DISA generally comply with the acquisition planning requirements of the FAR and FIRMR. However, need for improvement has been identified. In this regard, Code IA is reviewing the FIPR planning process to ensure full compliance with regulatory requirements. Until such review is complete, the planning requirements identified in this chapter apply to FIPR acquisitions as opposed to those specifically tailored acquisition planning requirements of Chapter 5.



6. FIPR ACQUISITION PACKAGE CHECKLIST

<u>Document</u>	<u>Reference</u>
a. DISA Form 1A (E), Acquisition Package Approval and Coordination Sheet	See Chapter 9
b. DISA Form 1C (E), FIPR Acquisition Package Checklist - See this checklist for other documents required in a FIPR acquisition package.	See Chapter 9

7. COORDINATION AND APPROVALS

See Chart 2, page 3B-2 to determine coordination and approval points that are external to the end-user requesting activity. These offices must be included to ensure proper and efficient acquisition package processing.

**CHAPTER 3**

**EXHIBITS**

FEDERAL INFORMATION PROCESSING (FIP) RESOURCE ACQUISITION  
OVERVIEW

An information system has a basic life cycle that begins with planning its acquisition and/or development, and continues through its operation and maintenance. A representation of the life cycle phases of an acquisition is shown at page 3A-7. The General Services Administration (GSA) regulations are the cornerstone of the Government's FIPR management structure and provide detailed policies, procedures, and guidance on all matters relating to the acquisition, management, and use of information processing technology.

The GSA has exclusive procurement authority for all commercially available FIPR equipment, software, and related services for use by Federal agencies, except equipment and services needed to meet certain critical military needs. This exclusion does not preclude the need for full and complete requirements analysis and documentation and the acquisition of resources at the lowest total overall cost to the Government, price and other factors considered. Therefore, all Defense Information Systems Agency (DISA) acquisition actions will comply with the information requirements herein, with one exception. Agency Procurement Requests (APR) need not be processed to the GSA for Delegation of Procurement Authority (DPA) for the exempted systems.

STEP I - REQUIREMENTS ANALYSIS/DOCUMENTING NEED:

The first step in this acquisition process is to identify mission needs that flow from program requirements. These needs may be expressed in the form of deficiencies in existing capabilities, new or changed program requirements, or opportunities for increased economy and efficiency. This phase of FIPR planning is called requirements analysis. Requirements analyses must be documented in writing for all commercially available FIPR. However, the extent of the requirements analysis should be based on the size, complexity and estimated cost of the system. Factors, such as the following are normally considered in the requirements analysis phase:

- (1) Probable improvement in operating efficiency and anticipated economies;
- (2) Present and projected workload over the life of the information system in terms of:
  - (a) Data entry and associated communications support,
  - (b) Data base(s) and data base management,

- (c) Data handling or transaction processing by tape and volume,
  - (d) Output needs, including communications support,
  - (e) Expandability requirements, and
  - (f) Privacy and security safeguards;
- (3) The cost/benefits that will accrue as a result of the information systems;
  - (4) Agencies and their components involved, their physical location, operational constraints and the relative priority of this particular requirement within the spectrum of total mission needs and budget; and
  - (5) Space and environmental considerations; such as heat dissipation, air flow, temperature, humidity and energy consumption.
  - (6) Requirements related to the handicapped.

#### STEP II - REQUIREMENTS ANALYSIS/REVIEWING ALTERNATIVES:

Once requirements have been defined, the agency must then review the available alternatives that will satisfy their needs and select the one that represents the lowest total overall cost, price and other factors considered. The results of the review must be documented in writing. The following must be considered.

(1) Sharing - It is seldom possible to match exactly the capabilities of FIPR equipment to user requirements. This, plus the need to provide for future workload growth cause some users to have excess data processing capacity. This is particularly true where a centralized data processing facility serves a number of users. In addition to the excess capacity problem, individual managers are finding it difficult to control their cost associated with obtaining automated information systems support from a central facility unless the costs of such service are known.

OMB Circular A-130, Appendix II addresses the foregoing problems in a manner designed to promote more effective and efficient management and use of data processing facilities. For instance, the Circular requires that Federal agencies share their excess data processing capacity with users from other agencies to the maximum extent feasible. It also requires that sharing arrangements provide for the reimbursement of full costs incurred in providing the services.

GSA publishes a list of sharing opportunities that identifies agencies with excess FIPR capacity that can be used by another agency. If sharing is feasible and economical, it must be used and the two agencies involved are responsible for negotiating a sharing agreement. These sharing agreements must comply with the provisions of OMB Circular A-130, Appendix II: Cost Accounting, Cost Recovery, and Interagency Sharing of Information Technology Facilities.

(2) Federal Data Processing Center (FDPC) - The next source to be considered is use of an FDPC. GSA has authorized the establishment of several FDPC's, which operate like a service bureau to serve the needs of multiple agencies when such joint use would achieve greater economy and efficiency of operations. Therefore, after sharing, the FDPC must be considered as the preferred source of supply.

(3) Reutilization - In the event that neither sharing nor use of FDPC's is an acceptable solution, next in the list of preferred alternatives is the reuse of excess FIP resources. DoD provides the capability to review excess resources to determine whether excess is available that will meet the agency's needs. If a resource is available and represents the lowest cost alternative for meeting the need, then it must be used. Contact Code IR for the review capability.

(4) Commercial ADP Equipment and Software - When sharing, use of FDPC's, or reutilization channels will not satisfy the requirement, or these sources are not to be cost effective, FIPR may then be acquired. The acquisition may be made pursuant to procurement authority delegated by GSA and applicable ADP and telecommunications management and procurement regulations. The following Agency policies are highlighted:

- (a) The acquisition of an initial computer resource capability or the augmentation or replacements of an existing capability shall be preceded by requirements analysis that is commensurate with the scope and complexity of the program objectives and missions needs. The operational and economic feasibility of all alternative solutions, including use of non-FIPR, sharing, use of FDPC's, and reutilization of excess Government-owned or -leased equipment (lease versus purchase analyses are required) shall be considered and documented in writing. Accessibility to handicapped employees shall be considered when conducting determinations of need and requirements analyses for FIPR. These FIPR procurements shall provide accessibility for handicapped employees to the

extent that such needs are determined by the agency and the required accessibility can be provided by industry.

- (b) Reasonable stability is necessary to deliver effective, efficient, and timely projects. To achieve operational stability, operational elements shall:
  - Conduct long-range FIPR planning in accordance with DCAI 630-230-22, ADP Planning and Programming, 21 Jul 80.
  - Consider all functional requirements and involve functional participants from the beginning of the project. Communication with all project participants is a key to successful implementation.
  - Estimate the budget realistically and fund adequately for all phases of the life-cycle of the project to include internal and external resource and acquisition requirements.
  - Develop an acquisition strategy and involve appropriate acquisition management/policy life-cycle to minimize acquisition time. At a minimum, these should include Codes PC, PJ, PM, PR, AS and IR.
- (c) Cost effective balance must be achieved among acquisition costs, ownership costs, and system effectiveness. Meeting the mission need shall be the primary goal.
- (d) All FIPR resource requirements will be visible to decision makers in the economic analyses and budgets.
- (e) FIPR planning, programming, and budgeting will be consistent with the life-cycle management process to the maximum practical extent.
- (f) System planning shall be based on adequate funding and affordability. Affordability, which is a function of cost, priority, and availability of fiscal and manpower resources, shall be considered at every milestone and during the Planning, Programming, and Budgeting System (PPBS) process.

- (g) Full and open competition in the acquisition of FIPR resources shall be promoted to ensure cost effectiveness and responsiveness to mission needs.
  - (h) FIPR development and acquisition should achieve the highest practical degree of standardization and interoperability.
  - (i) The interdependence of ADP and telecommunications shall be recognized at the outset of ADP or telecommunications systems planning and design efforts. Relevant future costs for ADP and associated telecommunications resources shall be identified and considered during the conceptual and programming phases of such systems.
  - (j) The feasibility and economics of obtaining FIPR maintenance services from various sources (e.g., original equipment manufacturer, separate maintenance services contractor, in-house resources, or a combination thereof) will be considered.
- (1) At a minimum, the following factors will be considered in determining the source of maintenance support:
- (a) Operational requirements (peacetime/wartime) and environment of the system.
  - (b) Size and location (Conus/Overseas) of the installation(s).
  - (c) Impact of split Government/contractor maintenance responsibility.
  - (d) Relative quality of contractual and in-house maintenance support.
  - (e) Experience requirements and training for maintenance personnel.
  - (f) Cost factor, including amortization of training costs.
  - (g) Availability of repair/replacement parts.

- (h) Peacetime and wartime support requirements.
  - (i) Commonality with other fielded equipment.
  - (j) Utilization and cost benefits of considering host nation support and/or interservice/agency support agreements.
- (2) Maintenance alternatives for information systems must be thoroughly analyzed to ensure selection of the most cost effective alternative. This may include the procurement of spare component parts.
- (3) Maintenance alternatives must be reviewed annually, using historical maintenance data to adjust the required schedule and scope of maintenance coverage required.
- (4) Prepare a statement of work (SOW) for information systems maintenance when:
  - (a) The information system is owned by the Government and the maintenance is to be performed by a contractor and standard maintenance provisions do not apply.
  - (b) The information system is leased out; the leasing arrangement does not include maintenance of the information system and maintenance is to be separately procured.
- (k) FIPR shall be safeguarded using prescribed protective measures and controls to meet the security requirements as specified in DCAI 630-230-19.
- (l) Major Automated Information System (AIS) FIPR programs and, as appropriately adapted, AIS FIPR programs which are not designated as major programs shall be baselined in accordance with DCAI 630-230-28, Baselining of AIS, 17 Jul 89.
- (m) Acquire off-the-shelf software from commercial sources, unless the cost effectiveness of developing custom software is clear and has been

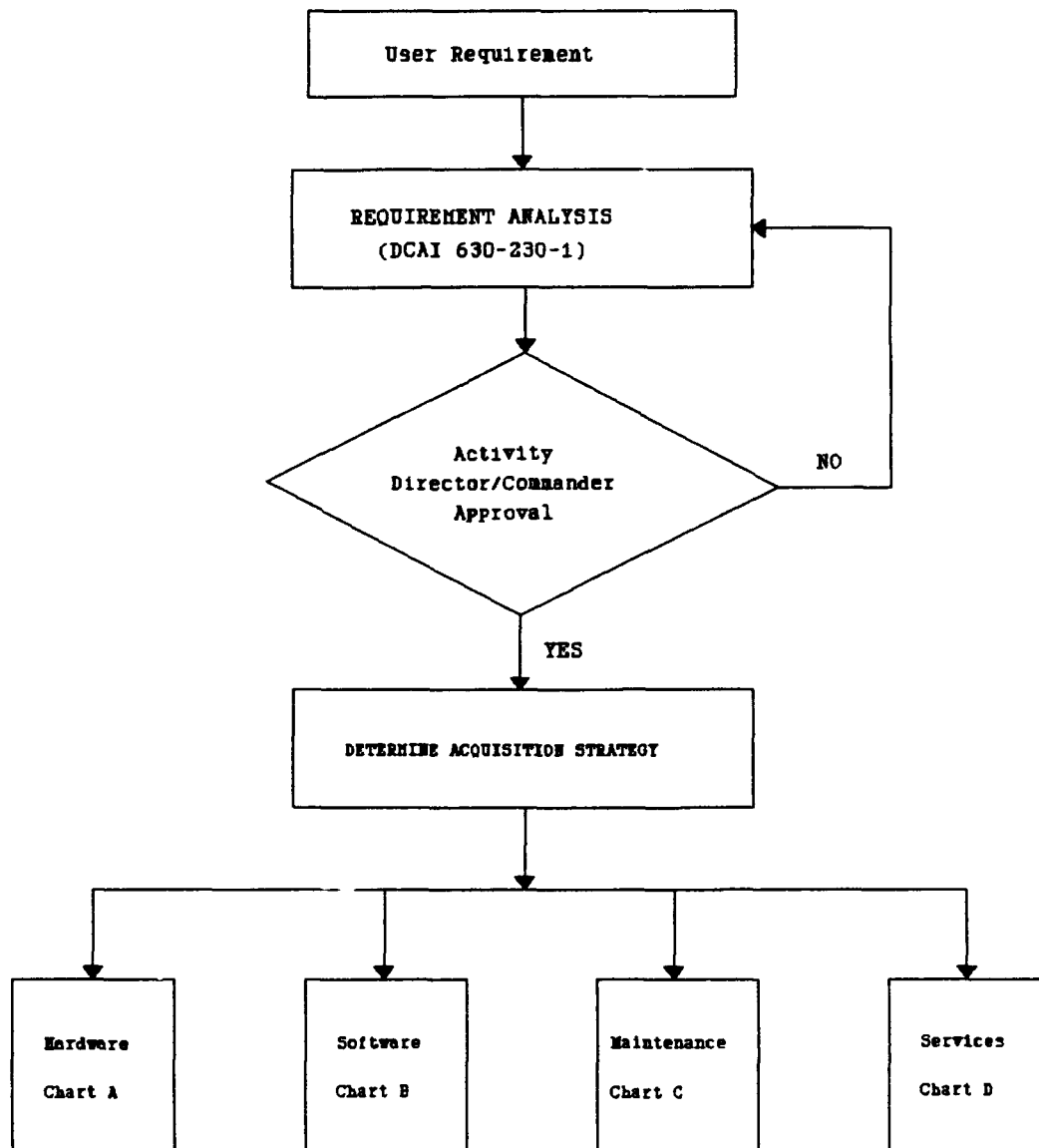


documented. Appropriate guidance is provided in  
DCAI 630-230-29.

<b>SYSTEM ACQUISITION/DEVELOPMENT</b>	
<u>System Planning and Initiation</u> <ul style="list-style-type: none"> <li>• Prepare long-range strategic automatic data processing (ADP) plan consistent with agency needs. <ul style="list-style-type: none"> <li>• Identify user needs in context of agency mission, resources, and priorities.</li> </ul> </li> </ul>	
<u>Requirements Definition and Analysis of Alternatives</u> <ul style="list-style-type: none"> <li>• Define and validate user needs in terms of functional, data, and operational requirements.</li> <li>• Identify alternatives to meet requirements and analyze technical and operational feasibility. <ul style="list-style-type: none"> <li>• Estimate and compare costs and benefits.</li> </ul> </li> </ul>	
<u>Acquisition Strategy</u> <ul style="list-style-type: none"> <li>• Select acquisition strategy commensurate with cost, risk, and urgency of need. <ul style="list-style-type: none"> <li>• Prepare an acquisition schedule.</li> </ul> </li> </ul> <u>Procurement Cycle</u> <ul style="list-style-type: none"> <li>• Prepare solicitation document, including specifications and evaluation factors.</li> <li>• Select procurement method and contract type. <ul style="list-style-type: none"> <li>• Evaluate proposals and award contract. <ul style="list-style-type: none"> <li>• Monitor and manage contract.</li> </ul> </li> </ul> </li> </ul>	<u>Design and Development</u> <ul style="list-style-type: none"> <li>• Develop detailed system design, including requirements for output, input, files, data and controls.</li> <li>• Prepare validation/testing goals and plans.</li> </ul> <u>Application Programming and Testing</u> <ul style="list-style-type: none"> <li>• Program from detailed design specifications. <ul style="list-style-type: none"> <li>• Test, debug, and document programs.</li> </ul> </li> <li>• Prepare manuals for users, operations, and program maintenance.</li> <li>• Perform unit tests and document results.</li> </ul>
<u>Acceptance Testing</u> <ul style="list-style-type: none"> <li>• Perform acceptance test to determine if system meets requirements. Document test results.</li> </ul>	
<b>SYSTEM OPERATION MAINTENANCE</b>	
<u>Implementation</u> <ul style="list-style-type: none"> <li>• Modify physical site to accommodate any hardware and install. Change over forms, displays, and files. Train data processing staff and users. Change over to new system.</li> </ul> <u>Operation/Maintenance</u> <ul style="list-style-type: none"> <li>• Operate, refine, and fine-tune system, as needed. Perform on-going maintenance. Conduct periodic reviews to determine if changes are warranted.</li> </ul>	

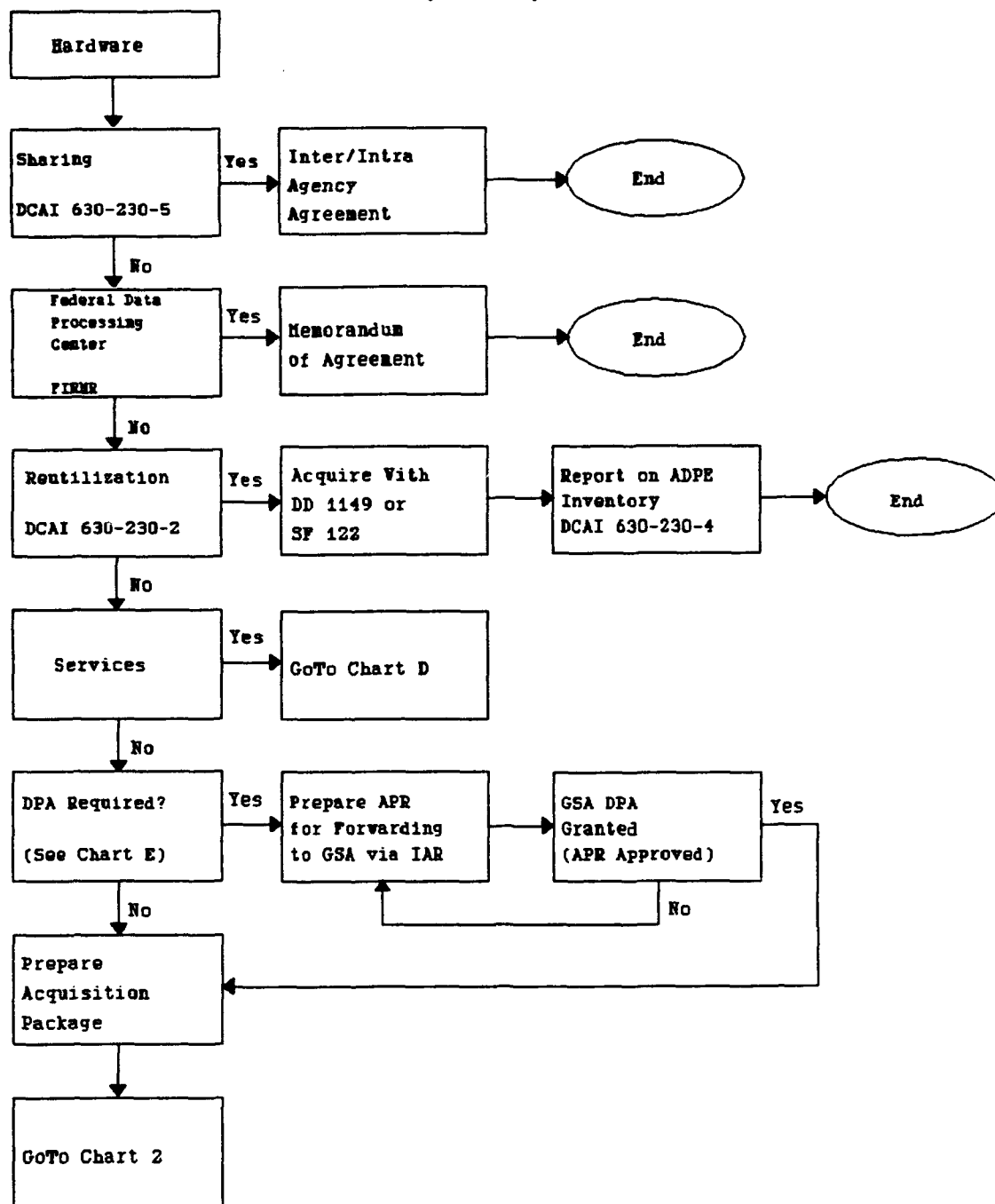
## FEDERAL INFORMATION PROCESSING (FIP) RESOURCE ACQUISITION CYCLE

(Chart 1)



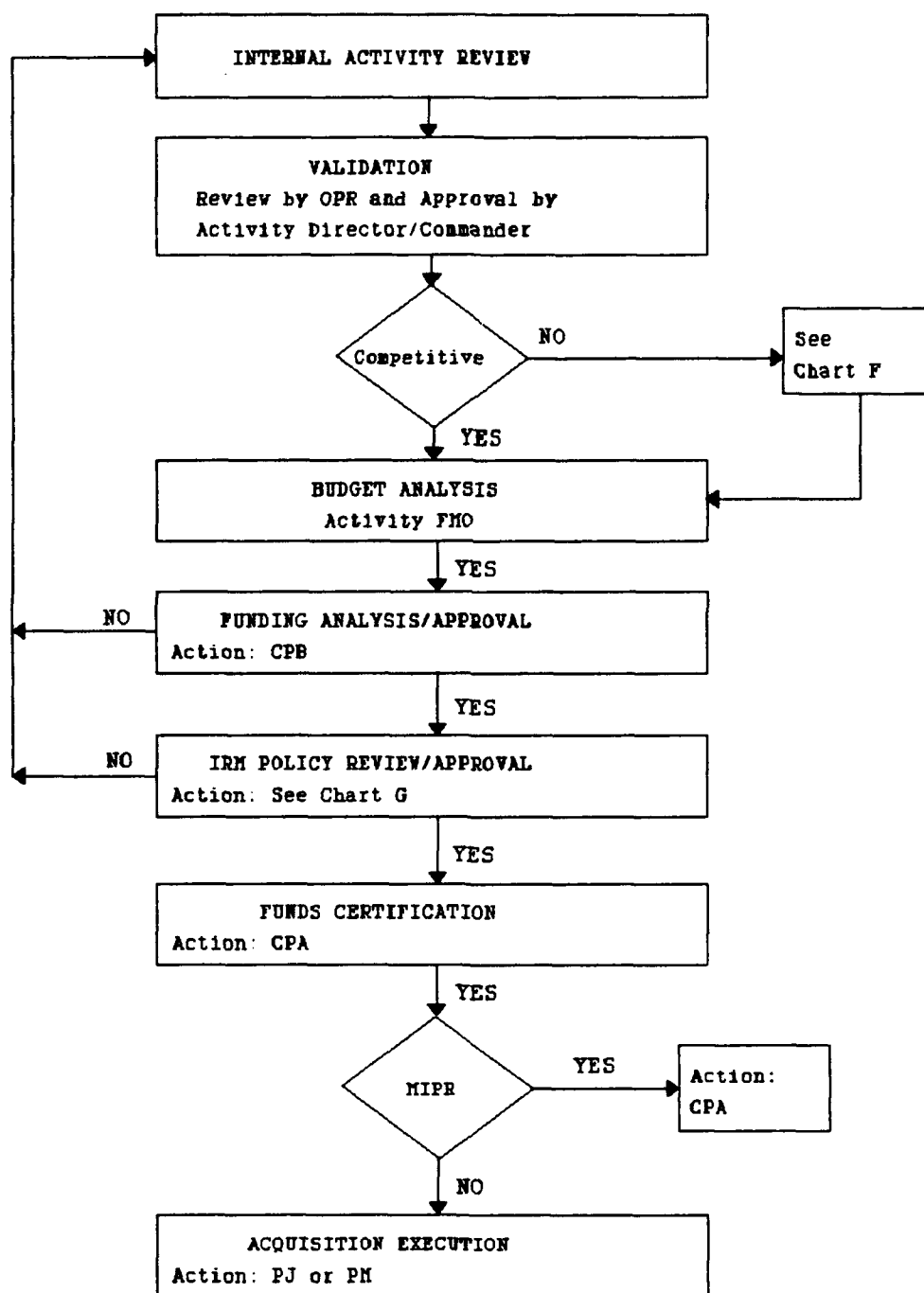
## HARDWARE

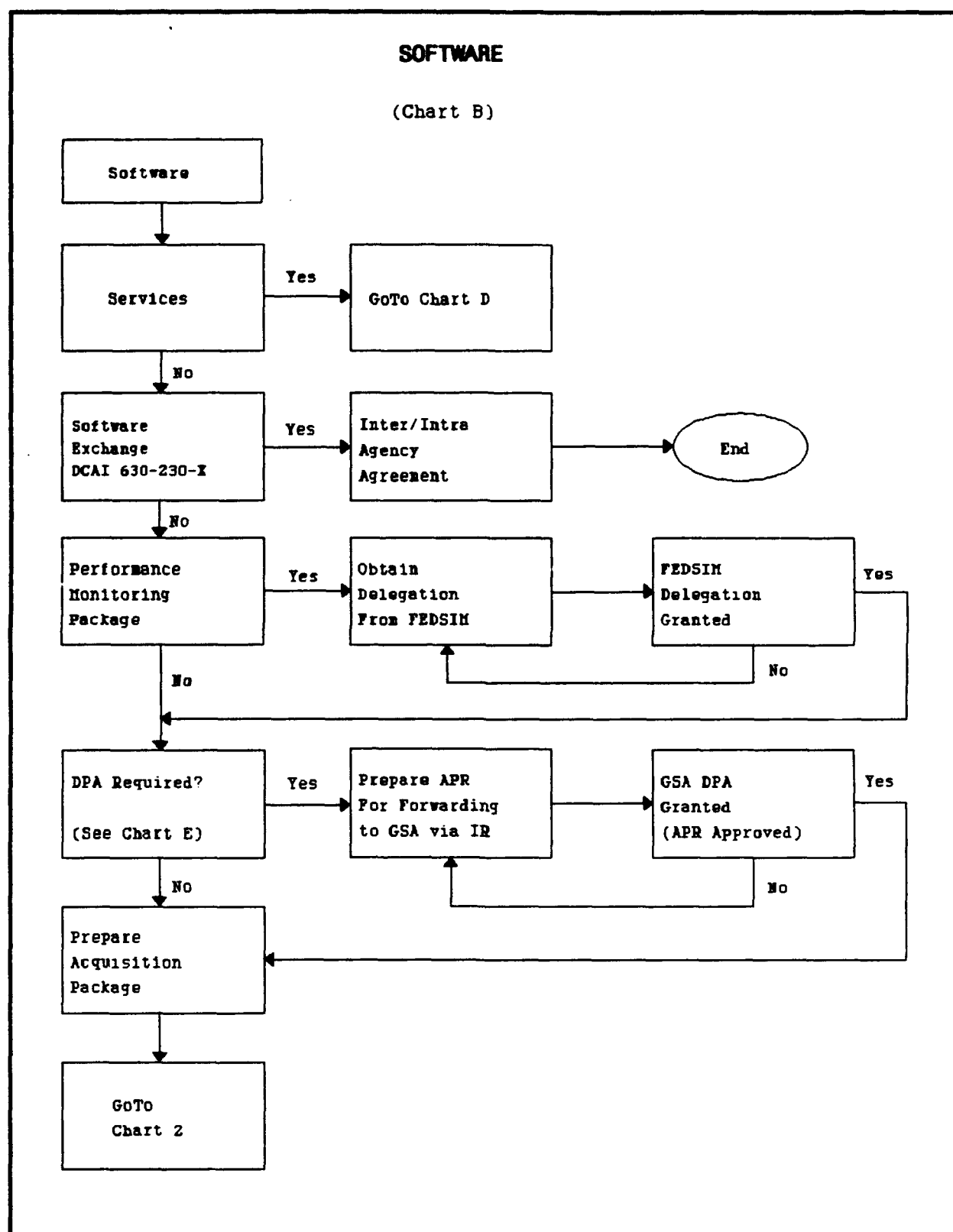
(Chart A)



## ACQUISITION REVIEW PROCESS EXTERNAL TO INITIATING ACTIVITY

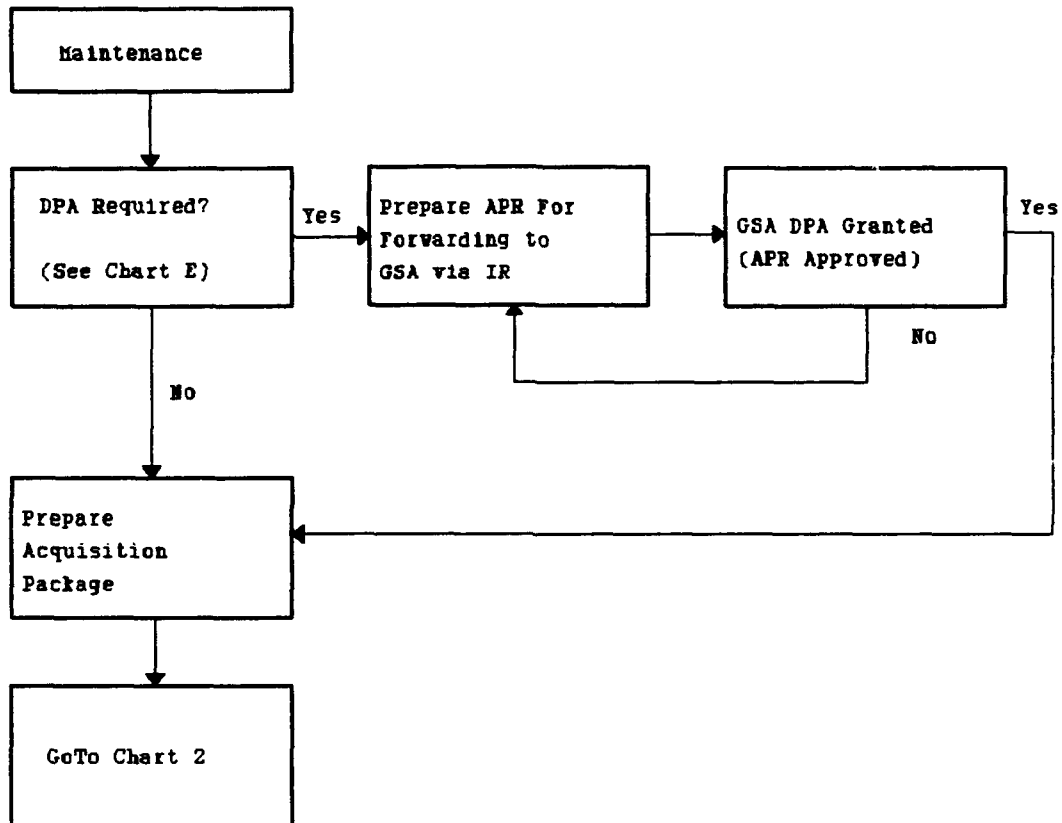
(Chart 2)





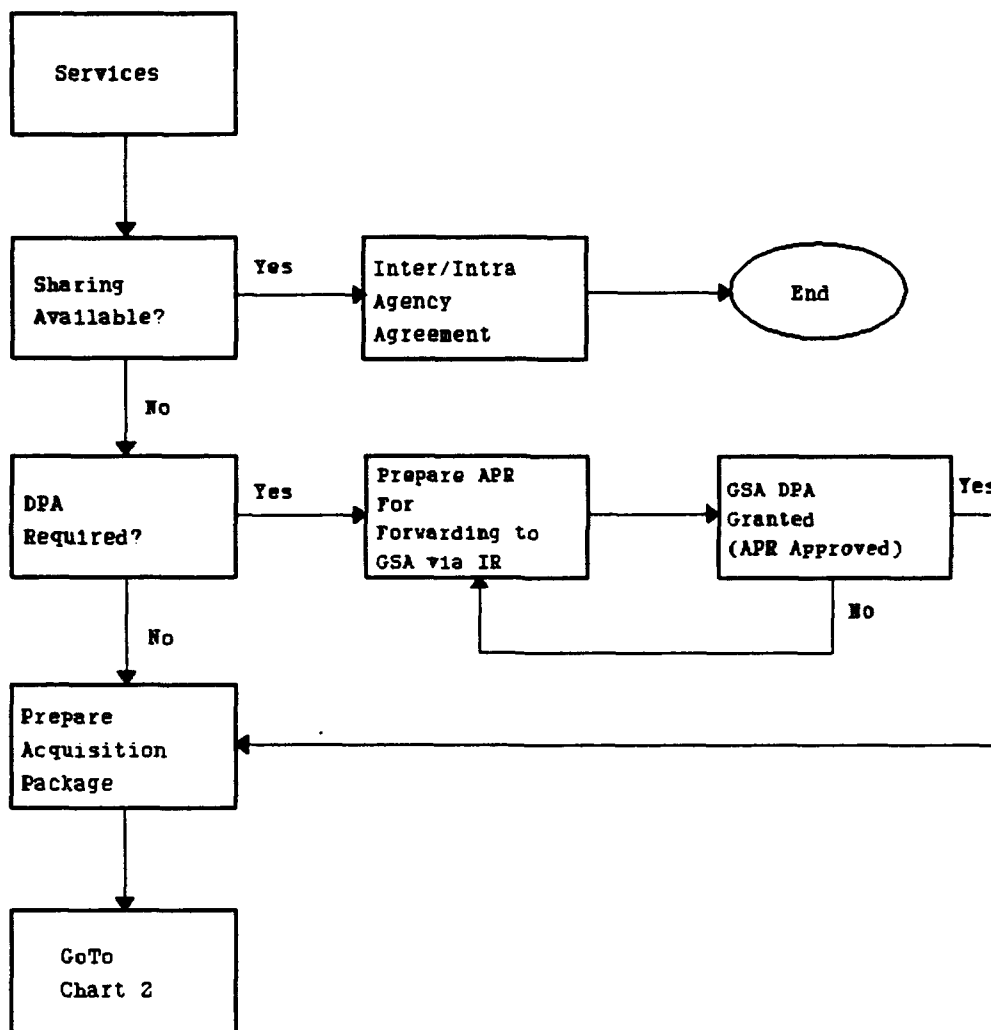
## Hardware/Software Maintenance

(Chart C)



## COMMERCIAL SERVICES

(Chart D)





## DELEGATION OF PROCUREMENT AUTHORITY (DPA) DETERMINATION

## (Chart E)

When procurements exceed the dollar thresholds indicated below, a DPA is required from the GSA, unless the resource has been designated as a Mission Critical Computer Resource (MCCR) under the provision of Public Law 97-86, 10 U.S.C. 2315, commonly known as the Warner Amendment. MCCR designation, which removes the requirement to get a DPA from the GSA, is acquired through coordination with Code IR. APR format is contained in FIRMR Bulletin 66.

Threshold

- \$250,000 Specific Make and Model Specification
- \$250,000 Only One Responsible Source
- \$2,500,000 All Other Requirements, unless:
  - (a) The procurement includes telecommunications requirements which are within the scope of the mandatory FTS2000 network services, and GSA has not provided DISA an exception to the use of the FTS2000 network;
  - (b) The procurement includes a requirement for telecommunications switching facilities or services at a location where mandatory consolidated local telecommunications services are provided by GSA, and GSA has not provided DISA an exception to the use of such resources; or
  - (c) The procurement includes a requirement for telecommunications switching facilities or services at a location where more than one agency would provide such resources to Federal occupants at the site.

**Note:** When FIP equipment, software, services and support services (or any combination thereof) are combined and acquired under a single contract action, GSA approval shall be required when the dollar value of either the equipment, software, services, or support services exceeds the applicable dollar threshold indicated above.

## NON-COMPETITIVE ACQUISITION CERTIFICATION AND APPROVAL PROCESS

(Chart F)

## CERTIFICATIONS \*

- Action Officer
- Activity Deputy Director/ Commander of Action Officer
- Contracting/Procuring Activity Contracting Officer

See Para XII, Chapter 7, Exhibit 1, Page 7I-10

## REVIEW/APPROVAL \*

Dollar AmountSignature(s) Required

\$ 25,001 to \$100,000

- Level Above Contracting/Procuring Activity Contracting Officer  
ACTION: Approves

\$100,001 to \$1,000,000

- Activity Competition Advocate  
ACTION: Approves

Over \$1,000,000

- Agency Competition Advocate  
ACTION: Reviews/Recommends
- Senior Procurement Executive  
ACTION: Approves

See Para XIII, Chapter 7, Exhibit 7I, Pages 7I-12 and 7I-13.

- \* See Chapter 7, Exhibit 7I, Page 7I-14 for acquisitions over \$2,500 but not exceeding \$25,000.

## INFORMATION RESOURCES MANAGEMENT (IRM) REVIEW PROGRAMS

(Chart G)

The following are areas that are reviewed by the Information Resources Management Division (IR) unless otherwise delegated

- Requirements Analysis Review
- ADP Security
- Risk Analysis
- Contingency Planning
- ADP Security Triennial Reviews
- Forms Management
- Reports Management
- High Order Language
- Ada Program Development
- Data Management
  - Data Base Management
  - Data Administration
  - Data Standardization
  - Data Storage Management
- Reutilization
- Sharing
- Inventory
- Handicapped Accessibility
- Planning
- Life Cycle Management
- Cost Analysis (Lease versus Purchase)
- Information Resources Management Reviews
- Scientific and Technical Information Program
- Contract Data Management
- Documentation Standards
- ADP Standards
- Performance Standards
- Mission Critical Computer Resources Program

Note: Reviews in certain areas above may necessitate sending the package to another office for their review/coordination, such as, to the DISA Ada Executive for Ada software development/acquisition actions.

FORMAT:FIPR (\$25,001 AND ABOVE) ACQUISITION AND REQUIREMENTS SUMMARY

(Attach to DISA Form 1C and Check Block 2C of DISA Form 1C.  
For ARC/non-ARC action follow instructions in HOW TO Guide)

1. PACKAGE IDENTIFICATION INFORMATION

- a. TYPE OF ACQUISITION ACTION. Specify Competitive or Other Than Full and Open Competition. Specific make or model requests are considered Other Than Full and Open Competition.
- b. PRIORITY OF EFFORT. Describe priority in specific terms, if other than routine.
- c. OFFICE OF PRIMARY RESPONSIBILITY (OPR). The organization, division code, and specific Project Monitor/Action Officer.
- d. IMPLEMENTATION SCHEDULE. Commitment and obligation date, deliverables and schedule. A milestone chart (DISA Form 161) with key events may be provided.

2. NEED/JUSTIFICATION. Summarize the scope of mission deficiency or non-performance. Avoid doing so in terms of the capabilities and explicit characteristics of a set of hardware or an automated system. Summarize the need in terms of the job to be done and the mission results or outcome to be achieved. Describe the benefits to mission performance. As a minimum the following will be addressed:

- a. Insight into what generated the need, i.e., newly assigned mission, increase or expansion of present workload, redesign of an Automated Data System, change in capabilities to effect economics or to improve efficiency, or some other factor(s).
- b. Identification of alternatives which were considered to satisfy needs and reasons for nonconsideration. As a minimum, reutilization, sharing, and changes to doctrine should be discussed.
- c. Requirement for the development of new functional software or the modification/conversion of existing software.
- d. Any constraints on the acquisition in the technical, operational and support areas. Examples are use of existing

facilities, manpower ceilings, contractor or in-house operations and support of telecommunications and security.

e. Previous and related contractual or in-house actions which have already been planned or initiated to support this project or the existing system pending completion of this acquisition.

3. RELATED DOCUMENTATION. Provide the date of completion or most recent update of the following documentation, or indicate not applicable. If unsure of applicability, contact Code IR for assistance.

<u>Documentation</u>	<u>Date</u>
(a) Requirement Analysis	_____
(b) Analysis of alternatives	_____
(c) Performance evaluation for the currently installed system	_____
(d) Findings to support the use of compatibility limited requirements	_____
(e) Conversion study	_____
(f) Justification for more than one agency to provide switching facilities or services at building locations	_____
(g) Exception to the use of FTS2000 mandatory network services	_____
(h) Exception to the use of GSA mandatory consolidated local telecommunications services	_____

4. SYSTEM LIFE FOR THE ADP EQUIPMENT. As a minimum the following will be addressed:

a. The period of time the system/item(s), plus any planned augmentation, will satisfy the needs of the initial user.

b. The rate at which technology is expected to advance.

c. The probability that support will continue to be available during the period of intended use by the initial user.

This support includes items such as maintenance, spare parts, software support, etc.

5. MAINTENANCE CONSIDERATION.

a. Method: Alternative methods of acquisition for FIPR maintenance services must be considered, such as, on-site, on-call, and time and materials.

b. Source/Lowest Total Overall Cost (LTOC) Analysis: The feasibility and economics of obtaining FIPR maintenance services from various sources (e.g., original equipment manufacturer, separate maintenance services contractor, in-house resources, or any combination thereof) will also be considered.

c. Definition: FIPR maintenance means examination, testing, repair, or part-replacement functions performed to: reduce the probability of information systems malfunction (preventive maintenance), restore a malfunctioning component of FIPR to its proper operating status (remedial maintenance), and modify the FIPR in a minor way (field engineering change or field modification).

6. COST AND BENEFITS. Summarize cost data for each alternative. Describe rationale for selecting the recommended alternative (e.g., low cost, low level of risk, high-level technical advantage). Summarize detailed data from economic analysis for proposed alternative.

7. SECURITY/PRIVACY CONSIDERATIONS. Address sensitivity; identify the classification levels of information to be processed, and whether personal or other sensitive information is to be processed. Identify both in-place and planned controls necessary to insure a secure environment.

8. IMPACT STATEMENT. Stress economic and mission impact if recommended alternative is not approved. Explain why it is essential to take positive action at this time, rather than to maintain status quo; and, if applicable, the impact on other approved or planned projects.

9. OTHER COMMENTS. Include any additional information that will facilitate understanding and evaluating this requirement summary. A positive statement on the communication systems impact or required communications support must be made in this section. Requirements for handicapped employees, training and site preparation requirements and space management considerations, such as, heat dissipation, airflow, temperature range, relative humidity, energy conservation, power supply,

cables and coordination with building management will also be addressed in this section.

10. RECOMMENDATION. Recommend an alternative.

FORMATFIPR (\$25,000 AND BELOW) ACQUISITION AND REQUIREMENTS SUMMARY

(Prepare and attach DISA Form ID. For ARC/non-ARC action follow instructions in How-To Guide)

1. ORIGINATOR. Name and address of originating office/activity. Name and telephone number of action officer/point of contact.
2. NEED. Outline the FIPR need as related to specific elements of the office/activity mission, functional support, increased productivity, increased decision making support, increased management support, etc.
3. PROPOSED SOLUTION. Describe the current methods now employed that are proposed to be supported. Summarize how each method will be supported. Discuss how the proposed solution conforms to any agency configuration policy guidelines.
4. OTHER ALTERNATIVES CONSIDERED. Is it possible to solve this problem by other means, such as the sharing of existing agency systems or by using non-ADP resources or commercial services? List and summarize other alternative solutions considered and explain why each was not selected.
5. COST AND BENEFITS. State the cost/benefit rationale for selecting the recommended alternative.
6. INTERFACE CONSIDERATIONS. Describe any planned and potential telecommunications interface. Describe the interface with any existing systems/procedures external and internal to the office/activity or agency.
7. SECURITY/PRIVACY CONSIDERATIONS. Identify both inplace and planned controls necessary to insure a secure environment. Describe the security and privacy safeguards specifically in regards to data, software, hardware, file back-up, communications, physical, and personnel.
8. MAINTENANCE CONSIDERATIONS. Describe the software and/or hardware maintenance procedures. Describe all considerations for handling down-time periods and hardware repairs.
9. OTHER COMMENTS. Include any additional information that will facilitate this acquisition. (HANDICAPPED EMPLOYEES, TRAINING, MOBILITY, AND SITE PREPARATION REQUIREMENTS WILL BE ADDRESSED IN THIS SECTION.)



CHAPTER 4

OPTION EXERCISE PACKAGES AND FOLLOW-ON  
MIPR/RO/FFRDC PACKAGES

CHAPTER 4

OPTION EXERCISE PACKAGES  
AND  
FOLLOW-ON MIPR/RO/FFRDC PACKAGES

1. APPLICABILITY: This Chapter is applicable to actions for exercising acquisition options to extend period of performance previously approved with the base contract year and follow-on MIPR/RO/FFRDC actions previously approved with the base contract year.

2. CHECKLIST FOR OPTION AND MIPR/RO/FFRDC FOLLOW-ON ACQUISITION PACKAGES:

OPTION & FOLLOW-ON MIPR/RO/FFRDC PACKAGE DOCUMENTATION MATRIX

DOCUMENT	OPTION	MIPR/RO FFRDC
a. DISA Forms 1A (E) & 1D (E) - Acquisition Package Approval & Coordination	Yes	Yes
b. DISA Form 94 (E) - DISA Purchase Request	Yes	No
c. DD Form 448 - Military Interdepartmental Purchase Request (For outgoing requirements to DoD agencies)	No	for MIPR ONLY
d. DISA Form 125 (E) - Reimbursable Agreement/Order for Services Between Federal Agencies (RO) (For outgoing requirements to civilian agencies)	No	for RO ONLY
e. Administrative Service Request	No	for DSSW action
f. Incoming Orders (i.e., Interagency Agreements) (attach an info copy when funds are received from another agency)	Yes When Applicable	No
g. DISA Form 678 (E) - Acquisition Planning Data Entry Sheet	Yes	Yes

DOCUMENT	OPTION	MIPR/RO FFRDC
h. Task Orders (usually ARC/non-ARC) and/or changed portions of Statement of Work (possible for all categories), and/or Purchase Descriptions (usually FIPR), and/or OF 336, Continuation Sheet to list supplies/services and prices (usually FIPR) - NOTE: <b>SELECT FORMAT OF BASIC CONTRACT</b>	Yes When not in basic contract	Yes When not in basic contract
i. DD Form 254 - Contract Security Classification Specification (used where contractor has access to, or possession of classified information in connection with the contract performance)	Yes When Applicable and/or expired	Yes When Requested by servicing organization
j. DD Form 1423, 1423-1, or 1423-2 - Contract Data Requirements List	Yes When data to be delivered & not in basic contract	Yes When data to be delivered & requested by receiving activity
k. DD Forms 1664 - Data Item Description	Yes When data to be delivered & not in basic contract	Yes When data to be delivered & requested by receive activity
l. DD Form 1498 - Research & Technology Work Unit Summary Evaluation Plan	Yes When research to be delivered & not in basic contract	Yes When research to be delivered & requested by receive activity

3. APPROVALS, COORDINATIONS, AND SIGNATURES:

FORM/DOCUMENT	WHO SIGNS	PURPOSE
a. DISA Form 1A (E)	Project Officer/COR  **Division Chief  **One level above Division Chief  FMO  Directorate Head or Deputy  Senior IRM (blk 4A)  Code PR  CPA  **Not required by Contracting organization Internal coordinations may be required by each Directorate but should be kept to a minimum.	Identify Action Officer  Coordinate  Coordinate  Coordinate  Approve  Certify Compliance  Review  Approve
b. DISA Form 94 (E)	Project Officer/COR (blk 8)  FMO (blk 13)  Directorate or Designee (blk 14)  CPA (blk 15)	Identify Action Officer  Approve Funds  Approve Funds  Certify availability of funds
c. DISA Form 125 (E)	Project Officer/COR (blk 9 - bottom)  FMO (blk 10)  CPA (blk 18)	Identify Action Officer  Approve Funds  Certify availability of funds

FORM/DOCUMENT	WHO SIGNS	PURPOSE
d. DD Form 448	Project Officer/COR (blk 9 - bottom)  FMO (blk 9 - bottom)  CPA (blk 15)	Identify Action Officer  Approve Funds  Certify availability of funds
e. DISA Form 678 (E)	FMO	Identify information responsibility
f. Task Orders (Advance Copy)	COR Contracting Officer	Award
g. DD Form 254	Project Officer/COR (blk 12)  Contracting Officer (blk 16)	Certify accuracy & completeness  Approving official
h. DD Forms 1423, 1423-1, 1423-2	Project Officer/COR (blk G)  Supervisor of Project Officer (blk I)	Identify preparer  Approving official (review need for contract data)

4. **PROCEDURES SYNOPSISIZED:** The Following are step-by-step procedures for preparing and processing option exercises and follow-on MIPR/RO/FFRDC packages previously approved:

**PHASE I: ADVANCED ACQUISITION PLAN** - This step is normally accomplished once a year when data are compiled for all upcoming acquisitions in a future fiscal year. In the event the proposed option exercises or follow-on acquisitions are not identified or in the data base or the information in the data base needs changing, the Project Officer processing the acquisition package should provide the appropriate summary data (on a DISA Form 678 (E)) to the individual responsible for maintaining the acquisition plan data base for his/her Directorate.

STEP	ACTION	OPR
1	<u>Submit data</u> to Directorate Data Input Office on DISA Form 678 (E)	Project Officer See Chapter 9
2	<u>Input Data</u> to Annual Acquisition Data Base	Directorate Data Input Office

**PHASE II: INDIVIDUAL ACQUISITION PLAN** - Planning was completed with the basic approval. Consequently, this phase is skipped.

**PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL** - Preparation of the Option Exercise Acquisition Package or Follow-on MIPR/RO/FFRDC:

STEP	ACTION	OPR
3	<u>Prepare</u> DISA Form 1A (E) and 1D (E)  Include on 1D the statement: "The scope of work & level of effort which was approved for this option when the basic contract period was approved remains the same"	Project Officer See Chapter 9
3a	Also includes statements (1) that requirements fulfill existing need of the Government and (2) Contractor performance during past period has been (at least satisfactory).	

### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
-----		
4	DO ONE OF THE FOLLOWING	
	<u>FOR HQ DISA ONLY: Prepare &amp; sign DISA Form 94 (E), DISA Purchase Request</u>	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>Prepare Administrative Service Request</u>	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR MIPR ONLY: Complete Project Officer and FMO sections of DD Form 448, Military Interdepartmental Purchase Request</u>	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR RO ONLY: Complete Project Officer and FMO sections of DISA Form 125 (E), Reimbursable Agreement for Services Between Federal Agencies (or other service agency form)</u>	Project Officer & FMO See Chapter 9
	<u>OR</u>	
	<u>FOR DECCO ONLY: Document funds availability with FMO</u>	Project Officer
-----		
5	<u>ARC/non-ARC/MIPR/RO/FFRDC: Prepare Statement of work if changed from basic contract award- Task Orders to be awarded at the time of option exercise - usually associated with ARC/Non-ARC Acquisitions)</u>	Project Officer See Chapter 7, Exh 7B
	<u>AND/OR</u>	
	<u>FIP: Prepare purchase description and/or statement of work and/or Supplies/Services and Prices, OF 336, Continuation Sheet - if changed from the basic contract award usually associated with FIP acquisitions</u>	
-----		

### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
	SKIP STEPS 6-9 if MIPR/RO (Government) (Performance)	
6	Prepare, sign, & date DD Forms 1423, 1423-1, or 1423-2, Contract Data Requirements List (if changed from the basic contract period)	Project Officer See Chapter 9
7	<u>Compile</u> and/or <u>prepare</u> DD Form 1664, Data Item Descriptions (if changed from the basic contract period)	Project Officer See Chapter 9
8	<u>Prepare</u> DD Form 1498, Research and Technology Work Unit Summary (if changed from the basic contract period)	Project Officer See Chapter 9
9	<u>Prepare</u> & <u>sign</u> DD Form 254, Contract Security Security classification Specification (if changed from the basic contract period)	Project Officer See Chapter 9
10	<u>Compile</u> Acquisition package with documents, as applicable: DISA Form 1A (E) & 1D (E) DISA Form 94 (E), DD Form 448, DISA Form 125 (E), or other funding document DISA Form 678 (E) Changed pages to Statement of Work, Specification, Purchase Description, and/or OF 336 and Task Order(s) to be awarded at time of option exercise New (if changed)/Updated: DD Form 254 DD Form 1423, 1423-1 , or 1423-2 DD Form 1664 DD Form 1498 SF 298	Project Officer



### PHASE III: ACQUISITION PACKAGE PREPARATION, REVIEW, AND APPROVAL (continued)

STEP	ACTION	OPR
11	<u>Obtain</u> internal Directorate coordinations	Project Officer In accordance with Directorate procedures
12	<u>Obtain</u> approval of Organization Head	Project Officer In accordance with Directorate procedures

### PHASE IV: FUNDS CERTIFICATION

STEP	ACTION	OPR
SKIP STEPS 13-15 if DECCO acquisition		
13	<u>Forward</u> approved package to Code CPA	Project Officer
14	<u>Certify</u> funds on DISA Form 94 (E), DD Form 448, DISA Form 125 (E) (or other servicing agency form)	Code CPA See Chapter 9
15	<u>Forward</u> package to Code PM or for MIPR/RO/FFRDC <u>mail</u> DD Form 448, DISA Form 125 (E), Administrative Service Request, or other servicing agency form to servicing and return remainder of acquisition package to Project Officer	Code CPA
SKIP STEPS 16-18 if NOT DECCO acquisition		
16	<u>Mail/deliver</u> appropriate acquisition documentation to servicing agency contracting point of contact	Project Officer
17	<u>Obtain</u> a Telecommunications Service Request (TSR) number and Project Designator Code (PDC) from the Telecommunications Certification Office (TCO)	Project Officer
18	<u>Prepare</u> letter of transmittal & forward to DECCO	Project Officer

CHAPTER 5  
ACQUISITION PLANNING

## CHAPTER 5

### ACQUISITION PLANNING

1. LEGAL BASIS: 10 U.S.C. 2301(a)(5).

2. REGULATORY BASIS: Federal Acquisition Regulation (FAR) and Defense FAR Supplement. (DFARS) Part 7, Acquisition Planning.

3. DEFINITIONS/RESPONSIBILITY:

a. Acquisition Planning means the process by which the efforts of all personnel responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency need in a timely manner and at a reasonable cost. It includes developing the overall strategy for managing the acquisition.

b. Special Projects are those acquisitions classified as code word or black contracts.

c. The Acquisition Review Committee (ARC) Executive Secretary oversees the processing of ARC/Non-Arc acquisitions prior to their submission to the contracting office for contract action and manages the acquisition planning process. This includes the consolidation of data for the Advanced Acquisition Plan. In addition the ARC Executive Secretary is responsible for drafting and finalizing the ARC minutes.

4. BENEFITS/PURPOSE:

a. Maximizes productivity - ensures that the Agency meets its needs in the most effective, economical, and timely manner.

b. Provides for effective resource scheduling - used by the acquisition organization to schedule resources to complete planned contract efforts.

c. Provides resource/acquisition "road maps" - documents action plans for accomplishing acquisitions.

5. PROCEDURES: Acquisition planning will be accomplished in two phases as follows:

a. PHASE I - ADVANCED ACQUISITION PLAN

(1) An annual Advanced Acquisition Plan will be prepared for all proposed contract actions (excluding special projects) and the data will be entered into Acquisition Planning

data base during the October-March period preceding the fiscal year for which it is intended. These contract actions include all ARC/Non-ARC, FIPR, and OPTION EXERCISE acquisitions.

(2) This plan is an agency-wide corporate acquisition plan and provides an agency-wide summary of all proposed acquisitions for a particular period, normally the next fiscal year (FY).

(3) Once a year, between October and December, the Acquisition Planning and Procedures Office (Code PR) will send a memorandum to all Directorates requesting their input of all planned acquisitions for the next fiscal year into the Acquisition Planning data base. This memo will contain instructions to Directorates for properly collecting and inputting their data. For planning purposes, acquisition lead-time standards are found in Chapter 1.

EXAMPLE: The acquisition planning memorandum sent to the Directorates in October-December 1990 will request data for all acquisitions that are planned for the period 1 October 1991 through 30 September 1992.

(4) Unplanned actions occur during plan execution. An example might be an acquisition suddenly required because of "unusual and compelling urgency." These actions are merely added to the Acquisition Planning data base as they occur.

b. PHASE II - INDIVIDUAL ACQUISITION PLANS (Contract, MIPR/RO, and FFRDC (other than MITRE) Plans) - "Individual Acquisition Plan" for the purposes of a contract action is synonymous with the term "Acquisition Plan" found in Part 7.) Individual Acquisition Plans contain procurement sensitive information and should be marked "SOURCE SELECTION INFORMATION -- SEE FAR PART 3.104." This marking may be removed after contract award.

(1) Following (normally) the Advanced Plan and preceding the acquisition package approval by the Directorate Acquisition Review Committee (DARC), individual, more detailed plans shall be prepared by the Directorates for all ARC/Non-ARC. There are two exceptions:

(a) Acquisitions which are expedited based on "unusual and compelling urgency" and justified other than full and open competition under FAR Subpart 6.302-2 (See Chapter 7 under Justifications for Other Than Full and Open Competition). In this case, a "Summary of Acquisition on Strategy" must

accompany the acquisition package. The format and content of the summary is found at Exhibit 5G.

(b) FIP maintenance acquisitions (See Chapter 3).

(2) These plans are "road maps" for each individual acquisition identified in the Advanced Acquisition Plan. They identify such things as a description of the requirement, competition and small business considerations, Ada considerations, a description of related contract actions, and milestone schedule which identifies key events from the writing of the statement of work to the award of the contract.

(3) Formats are provided at Exhibits 5B through 5F. The FAR/DFARS formats and content have been tailored to meet DISA needs. The Project/Action Officer shall follow these formats as applicable to their particular acquisition. Recognizing some tailoring of the formats may be necessary, rigid compliance in the formats is not required. The formats are as follows:

(a) Exhibit 5B - Contract Plan - This format is used for acquisitions in which either DECCO or HQ DISA contracting offices award commercial contracts.

(b) Exhibit 5C - MIPR/RO or FFRDC Plan - This format is used for Military Inter-Departmental Purchase Requests (MIPR's) or Reimbursable Orders (RO's) when the servicing agency (agency receiving the MIPR/RO for action) will either award a commercial contract, as opposed to doing the work in-house with government employees, or when the servicing agency will, in combination, award a commercial contract and perform a portion of the work in-house with government employees. This format is also used for proposed Federally Funded Research and Development Center (FFRDC) acquisitions other than MITRE. MITRE is governed by other procedures.

(c) Exhibit 5D - MIPR/RO Plan (Government Performance) format is used for MIPR's/RO's when the servicing agency will perform the services with in-house government employees only.

(d) Exhibit 5E - Plan Amendments - This format is used to modify previously approved plans and for proposed modifications of contracts which add new or additional work to the contract.

(e) Exhibit 5F - Sample(s) of plans are provided.

(4) Plans are normally prepared by the Project/Action Officer who should enlist the help of contracting, technical, engineering, resource management, and others as required.

(5) After a plan is prepared, the Project/Action Officer shall obtain the necessary concurrences and approval as identified on the last page of the application format, about 45 calendar days prior to the scheduled DARC approval. In obtaining the concurrences of the Competition Advocate and Small Business Office (referred to as SADBUS on the formats) may be obtained in parallel to obtaining the Contracting Officer's approval.

(6) Each concurring official must act on or approve plans within five work days after receipt in that office. Nonconcurrences shall be in writing within that time period accompanied with supportable rationale for nonconcurrence.

(7) The ARC reviews plans for ARC acquisitions estimated at \$1,000,000 or more. The respective Directorate Heads review and approve plans for ARC acquisitions under \$1,000,000 and over \$100,000.

(8) When changes to approved plans occur, they should be documented to provide an audit trail. Changes to plans are required when a change is for added or new work, differing periods of performance (i.e., from 5 years to 3 years, from 3 years to 5 years, etc.), a revision to type/mix of appropriations, the extent of competition, or the small business considerations. (NOTE: This guidance on Plan Amendments may change as DISA gains experience in handling changes to proposed acquisition actions):

(a) Changes up until DARC review and acquisition package approval by the Directorate Heads shall be documented in the DARC minutes. This shall be accomplished by preparing a Plan Amendment in accordance with Exhibit 5E without the coordination signatures and referencing the amendment as an attachment to the DARC minutes. (NOTE: Coordination signatures are unnecessary because the DARC minutes are concurred in by the same individuals who would concur in the Plan Amendment.)

(b) Changes after DARC approval and up until contract award shall be by Plan Amendments (Exhibit 5E). Normally, formal changes to Plans are not required after contract award.

EXHIBIT 5A

## DISA - ACQUISITION LEAD-TIMES

Key Milestones Time Frames		Comp	S/S	Mods	8(a)	Opt MIPR's
		(No. of calendar days)				
1. Plan Due	- Plan Apprvl	10	10	10	10	0
2. Plan Apprvl	- DARP Start	1	1	1	1	1
3. DARP Start	- DARP Compl	45	45	30	45	30
4. DARP Compl	- PR Receipt	2	2	2	2	2
5. PR Receipt	- CPA Receipt	2	2	2	2	2
6. CPA Receipt	- CPA Approval	2	2	2	2	2
7. CPA Approval	- PM Receipt	1	1	1	1	1
8. PM Receipt	- Assign to Spec	1	1	1	1	1
9. Assign to Spec	- Offer to SBA	0	0	0	5	0
10. Offer to SBA	- SBA Approval	0	0	0	25	0
11. SBA Approval	- Synop Prepare	1	1	1	1	1
12. Synop Prepared	- Synop Approved	2	1	1	0	0
13. Synop Approved	- Synop Transmitted	1	1	1	0	0
14. Synop Trnsmted	- Synop Published	3	3	3	0	0
15. Synop Published	- Solic to CO	4	4	4	4	0
16. Solic to Co	- Solic Approv	2	2	2	2	
17. Solic Approv	- Solic Issued	10	9	9	9	
18. Solic Issued	- Proposals Due	*30	*30	*30	30	
19. Proposals Due	- Tech Eval Req	4	4	4	4	
20. Tech Eval Req	- Tech Eval Recd	28	28	28	18	
21. Tech Eval Recd	- Audit Req	1	1	1	1	
22. Audit Req	- Audit Recd	9	9	9		
23. Audit Recd	- Nego Begins	10	6	6	5	
24. Nego Begins	- BAFO Offr Issued		10	0	0	0
25. BAFO Issued	- BAFO Received	5	0	0	0	
26. BAFO Received	- Nego Complete	20	5	5	6	
27. Nego Complete	- PR Received	5	0	0	0	
28. PR Received	- PR Complete	4	0	0	0	
29. PR Complete	- CO Received	1	1	1	0	
30. CO Received	- CO Complete	3	3	3	1	45
31. CO Complete	- PM Approved	1	1	1	1	1
32. PM Approved	- PB Approved	1	1	1	1	1
33. PB Approved	- Dir Head Appro	1	1	1	1	1
34. Dir Head Appro	- PM Received	1	1	1	1	1
35. AL Approved	- PM Received	1	1	1	1	1
36. PM Received	- Out for Sign	1	1	1	1	1
37. Out for Sign	- Signed Contr Recd	5	5	5	28	5
38. Signed Cont Rcd	- Cont Award Data	1	1	1	1	1
TOTAL - O&M/PROC		258	188	173	218	98
		195**	125**	125**	155**	60**
RDT&E -		273	203	188	218	98
		210**	140**	140**	155**	60**

\* RDT&amp;E = 45 Days The RDT&amp;E totals include the additional 15 days

\*\* From receipt in Code PM

EXHIBIT 5B

## CONTRACT PLAN (CONTENT &amp; FORMAT)

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST # \_\_\_\_\_PART A ACQUISITION BACKGROUND AND OBJECTIVES1. Statement of Need.

a. Approved Requirement: Explain the requirement, including reference to the approval document. Explain how this effort supports a major DISA program/project.

b. Contract Objective: Provide a brief description of how this contract will satisfy the approved requirement.

c. Technical History:

d. Contractual/MIPR/RO History

(1) Previous Protests or Congressional Inquiries: Describe the circumstances; assistance from the Contracting Officer will be necessary.

## (2) Previous Contract:

- Contract Number:
- Contractor:
- Total Estimated Contract Amount:
- Estimated Amount Obligated on Total Contract:
- Contract Period of Performance:
- Objective of Contract: Provide a very short description; in particular, focus on describing the work that supports the project for which the proposed effort in this acquisition plan supports.

## (3) Previous Military Interdepartmental Purchase Request (MIPR):

- Receiving Department:
- Total Estimated Dollars:
- Period of Performance:
- Objective of Effort: Provide a brief description; also explain whether this effort was performed by Government employees of the receiving organization or whether the receiving organization contracted out the effort. If the effort



was contracted out, the contract number, the contractor's name, DISA dollars awarded on the contract, and the extent of competition should be listed.

e. **Alternatives Considered:** Technical and in-house versus contractor-provided. Also as a part of the planning process, a DTIC search must be conducted to determine if similar work has been done in DOD. This search is completed by going to the DISA library on the second floor of HQ DISA building and following the instructions provided by the library. The DTIC search should be documented in this paragraph. Statements that either no similar work was found or if similar work was found, why the results of the effort cannot be used by DISA should be indicated here.

f. **Related In-House Efforts:** Explain any past, present, or future in-house efforts that relate to this acquisition. Example: If the proposed acquisition is in support of JIEO, "in-house" efforts should include projects performed by JIEO employees which are related to the proposed contract effort. If known, "in-house" efforts should also include those related projects performed by other DISA employees.

g. **Contracted Advisory and Assistance Services (CAAS):** Specify whether CAAS or non-CAAS. Refer to DCAI 630-60-2 for definitions of CAAS and CAAS categories. The acquisition is considered CAAS if all or a portion of the acquisition is CAAS. If the proposed acquisition is all CAAS, then identify the CAAS category and provide a description of expected benefits to be derived from the service. If the proposed acquisition is partial CAAS, describe which portion is CAAS, the CAAS category for that portion, and a description of expected benefits to be derived from the service.

2. **Capability or Performance Requirements.** Specify the required capabilities or performance characteristics of the services/items being acquired. Indicate if there is a requirement for compatibility with existing or future programs. Include information regarding Ada in DISA software systems as follows:

a. Is new software being used under this contract or is commercial off-the-shelf (COTS) software being used?

b. Is new software being developed?

(1) If so, is Ada being used?

(2) If Ada is not being used, why not?

c. Has a waiver for not using Ada been applied for? Note that waivers must be obtained from the Center for Standards (Code TB).

3. Delivery or Performance Period. Specify dates or time period for delivery or performance of the items/services covered by this contract, to include options (e.g., Contract Year: Base Year, 1 Apr 92-31 Mar 93; Option Yr 1, 1 Apr 93-31 Mar 94; Option Yr 2, 1 Apr 94-31 Mar 95).

4. Trade-offs. Discuss the expected consequences of trade-offs among the various capability, performance, and schedule goals.

5. Risks. Discuss any risks associated with the plan of action for this contract (e.g., contract placement, mixed appropriations, unfunded options, contractor performance, and the possibility of protests). Also describe what will be done to minimize each risk.

## PART B - PLAN OF ACTION

### 1. SOURCES.

a. Sources of Supplies and/or Services: As an enclosure, attach a list of the companies that are able to provide the needed supplies/services, indicating whether each company is large or small. However, if the acquisition is sole source include the name and address here. In the case of a small business set-aside, small disadvantaged business set-aside, or an 8(a) acquisition, the source list should be coordinated with the contracting activity Small and Disadvantaged Business Utilization Specialists. There are two specialists in DISA. For DECCO acquisitions, contact Code RH (autovon 5766-2349) and for HQ DISA acquisitions, contact Code AS (692-3690 or 692-3228).

b. Small and Small Disadvantaged Business Considerations: Indicate one of the one of following:

(1) If the contract action is be set-aside for 100% for small business, being awarded sole source to an 8(a) (small disadvantaged business or being set-aside for SDB (small disadvantaged business) competition, or an 8(a) competition, include a SIC (Standard Industrial Classification) Code in this section. This code may be obtained from the contracting officer and concurred in by the contracting activity Small and Disadvantaged Business Utilization Specialist.

NOTE THAT 8(a) SOLE SOURCES ARE PERMITTED BY REGULATION IF THE ANTICIPATED CONTRACT AWARD, INCLUDING OPTIONS, WILL NOT EXCEED \$5,000,000 FOR ACQUISITIONS ASSIGNED MANUFACTURING SIC CODES AND NOT EXCEED \$3,000,000 FOR ALL OTHER ACQUISITIONS.

(2) If this is not being set-aside for small or small disadvantaged business program, explain why. The market research in paragraph 1.c, Part B should provide adequate information to support the explanation. Also, the results of prior acquisitions can be used to support the explanation.

c. **Market Research:** Describe the market research done to determine the sources listed in paragraph 1.a, Part B. Market research can be supported by professional publications, prior contracts of the same or similar service or supply, interviews with contractors, seminars, etc. See Chapter 6, Market Research and Survey, for additional guidance.

2. Extent of Competition. If this is an 8(a) sole source, make the statement "This is an authorized 8(a) sole source." Otherwise, specify full and open competition, other than full and open competition, or full and open competition after exclusion of sources. Market research will support the statements made here.

3. Sole Selection Methodology.

a. **Proposal Evaluation Criteria:** Provide a description of the method of evaluating the proposals and selecting the successful offeror, including the relationship of the evaluation factors and the time for submission and evaluation of the proposals. The method of contractor evaluation/selection must be explained in sufficient detail to enable review authorities to determine the adequacy of selection criteria.

b. **Proposal Evaluation Plan:** Provide the general composition of the Source Selection Board, which should consist of at least one evaluator from outside the Directorate and at least one evaluator from outside the immediate Division within the Directorate. The Board will be briefed by the Contracting Officer on their duties and responsibilities.

4. Contracting Considerations.

a. **Proposed Contract Type:** This should be discussed in detail with the Contracting Officer. The Contracting Officer shall provide wording for this section. See Chapter 7, Contract Types, for additional guidance.

b. **Method of Acquisition:** Specify sealed bidding or negotiation.

5. **Budgeting and Funding.**

a. **Estimated Cost/Staff Months:** Provide a breakout of the estimated cost and staff months, if applicable, for each year of the contract. Unfunded portions of the action should also be stated, with associated risks being addressed in paragraph 5, Part A.

b. **Type of Appropriation:** Specify RDT&E, O&M, and/or Procurement. If mixing appropriations, address possible risks in paragraph 5, Part A.

c. **Source of Funds:** Specify if contract is to be funded by DISA funds or by an incoming MIPR (including the agency providing the MIPR).

d. **Availability of Funds:** Specify if the funds are currently budgeted and/or availability or the extent of availability.

6. **Logistics Considerations.** Describe, if applicable, the assumptions determining contractor or agency support, both initially and over the life of the acquisition; the reliability, maintainability, and quality assurance requirements, including any planned use of warranties; and the requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data.

7. **Government Furnished Property/Materials/Information.** List in aggregate.

8. **Evaluation of Contractor Performance.** Identify the methodology the COR will use to control and evaluate the contractor's performance. If the contract is to be Cost Plus Award Fee, identify the evaluation factors.

9. **Other Considerations.** Describe anything relevant that does not fit in previous paragraphs.

10. Milestones for the Acquisition Cycle. Dates should be filled in for the milestones below. See Exhibit 5A for guidance on average lead-time standards for each milestone. In addition to providing the dates below, address any anticipated problems with the following milestones and any others that are appropriate.

Acquisition plan due.  
Acquisition plan approval.  
Completion of acquisition package.  
Directorate Acquisition Review Process.  
Issuance of synopsis.  
Issuance of solicitation.  
Receipt/evaluation of offers, audits, and field reports.  
Beginning and completion of negotiations.  
Contract preparation, review, and approval.  
Contract award.  
Contract closeout.

11. Identification of Participants in Acquisition Plan Preparation. List the name, code, and telephone number of each individual who participated in preparing the acquisition plan.

PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

CONCUR:

\_\_\_\_\_  
Contracting Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Competition Advocate

\_\_\_\_\_  
Date

\_\_\_\_\_  
Small & Disadvantaged Business  
Utilization Specialist (SADBUS)

\_\_\_\_\_  
Date

APPROVED:

\_\_\_\_\_  
Directorate Head

\_\_\_\_\_  
Date

COPY TO:  
ARC Secretary

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10. Milestones for the Acquisition Cycle. Dates should be filled in for the milestones below. See Exhibit 5A for guidance on average lead time standards for each milestone. In addition to providing the dates, below address any anticipated problems with the following milestones and any others that are appropriate.

Acquisition plan due.  
Acquisition plan approval.  
Completion of acquisition package.  
Directorate Acquisition Review Committee approval.  
Issuance of synopsis.  
Issuance of solicitation.  
Receipt/evaluation of offers, audits, and field reports.  
Beginning and completion of negotiations.  
Contract preparation, review, and approval.  
Contract award.  
Contract closeout.

11. Identification of Participants in Acquisition Plan Preparation. List the name, code, and telephone number of each individual who participates in preparing the acquisition plan.

## PREPARED BY:

---

Project/Action Officer

---

Date

## CONCUR:

---

Contracting Officer

---

Date

---

Competition Advocate

---

Date

---

Small & Disadvantaged Business  
Utilization Specialist (SADBUS)

---

Date

## APPROVED:

---

Directorate Head

---

Date

---

ARC Approval (ARC Secretary)

---

Date

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**PROGRAM CONTRACT SUPPORT**

**PROGRAM TITLE:** Identify the program, such as Defense Satellite Communications System.

**DESCRIPTION OF CONTRACT SUPPORT:** Describe the types of contract and/or MIPR/RO support provided for the program.

**PROGRAM DURATION:** Identify the duration and years (if possible), such as "1991-1995, 5 years."

**ACTIVE CONTRACTS**

List non-expired contracts and/or MIPR's/RO's that support the program and a short title description for each one.

**FUTURE CONTRACTS**

List future contracts to include the proposed effort and a short title description for each one.

EXHIBIT 5C

MIPR/RO or FFRDC<sup>1</sup> PLAN (CONTENT & FORMAT)

Commercial Contract

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST # \_\_\_\_\_

PART A - ACQUISITION BACKGROUND AND OBJECTIVES

1. Statement of Need.

a. Approved Requirement: Explain the requirement, including reference to the approval document. Explain how this effort supports a major DISA program/project.

b. Contract Objective: Provide a brief description of how this contract will satisfy the approved requirement.

c. Technical History:

d. Contractual History:

(1) Previous Protests or Congressional Inquiries: Describe the circumstances; assistance from the Contracting Officer will be necessary.

(2) Previous Contract:

- Contract Number:
- Contractor:
- Total Estimated Contract Amount:
- Estimated Amount Obligated on total contract:
- Contract Period of Performance:
- Objective of Contract: Provide a very short description; in particular, focus on describing the work that supports the project for which the proposed effort in this acquisition plan supports.

(3) Previous Military Interdepartmental Purchase Request (MIPR):

· Receiving Department:

---

<sup>1</sup> Federally Funded Research and Development Center (except MITRE)



- Total Estimated Dollars:
- Period of Performance:
- Objective of Effort: Provide a brief description; also explain whether this effort was performed by Government employees of the receiving organization and/or whether the receiving organization contracted out the effort. If the effort was contracted out, the contract number, the contractor's name, DISA dollars awarded on the contract, and the extent of competition should be listed.

e. Alternatives Considered: Technical and in-house versus contractor-provided. Also as a part of the planning process, a DTIC search must be conducted to determine if similar work has been done in DOD. This search is completed by going to the DISA library on the second floor of HQ DISA building and following the instructions provided by the library. The DTIC search should be documented in this paragraph. Statements that either no similar work was found or if similar work was found, why the results of the effort cannot be used by DISA should be indicated here.

f. Related In-House Efforts: Explain any past, present, or future in-house efforts that relate to this acquisition. Example: If the proposed acquisition is in support of JIEO, "in-house" efforts should include projects performed by JIEO employees which are related to the proposed contract effort. If known, "in-house" efforts should also include those related projects performed by other DISA employees.

g. Contracted Advisory and Assistance Services (CAAS): Specify either CAAS or non-CAAS. Refer to DCAI 630-60-2 for definitions of CAAS and CAAS categories. The acquisition is considered CAAS if all or a portion of the acquisition is CAAS. If the proposed acquisition is all CAAS, then identify the CAAS category and provide a description of expected benefits to be derived from the service. If the proposed acquisition is partial CAAS, describe which portion is CAAS, the CAAS category for that portion, and a description of expected benefits to be derived from the service.

2. Capability or Performance Requirements. Specify the required capabilities or performance characteristics of the service/items being acquired. Indicate if there is a requirement for compatibility with existing or future programs. Include information regarding Ada in DISA software systems as follows:

a. Is new software being used under this contract or is commercial off-the-shelf (COTS) software being used?

b. Is new software being developed?

(1) If so, is Ada being used?

(2) If Ada is not being used, why not?

c. Has a waiver for not using Ada been applied for?

Note that waivers must be obtained from the Center for Standards (Code TB).

3. Delivery or Performance Period. Specify dates or time period for delivery or performance of the items/services covered by this contract, to include options (e.g., Contract Year: Base Year, 1 Apr 92-31 Mar 93; Option Yr 1, 1 Apr 93-31 Mar 94; Option Yr 2, 1 Apr 94-31 Mar 95).

4. Risks. Discuss any risks associated with the plan of action for this contract (e.g. contract placement, mixed appropriations, unfunded options, contractor performance, and the possibility of protests). Also describe what will be done to minimize each risk.

PART B - PLAN OF ACTION

1. Market Research. Describe the research done which led to the decision that a MIPR action to another agency is in the best interest of DISA. See Chapter 6, Market Research and Survey, for additional guidance. Describe the benefits DISA will receive by having the other agency acquire the supplies or services. For example, the servicing agency has already built the needed data base; synergy results because of the servicing agency's related efforts; the servicing agency has built specialized expertise that does not exist in DISA, etc. For FFRDC'S, describe the unique situation that led to the decision that services performed by the FFRDC rather than competitive contract is in the best interest of the Government.

2. Extent of Competition. Describe the extent of competition the servicing agency will employ. Specify full and open competition or other than full and open competition. If the servicing agency intends to award a contract other than full and open competition, identify the contractor.

3. Budgeting and Funding.

a. Estimated Cost/Staff Months: Provide a breakout of the estimated cost and staff months, if applicable, for each year of the contract. Unfunded portions of the action should

also be stated, with associated risks being addressed in paragraph 4, Part A.

b. Type of Appropriation: Specify RDT&E, O&M, and/or Procurement. If mixing appropriations, address possible risks in paragraph 4 Part A.

c. Source of Funds: Specify if contract is to be funded by DISA funds or by an incoming MIPR (including the agency providing the MIPR).

d. Availability of Funds: Specify if the funds are currently budgeted and/or availability or the extent of availability.

4. Logistics Considerations. Describe, if applicable, the assumptions determining contractor or agency support, both initially and over the life of the acquisition; the reliability, maintainability, and quality assurance requirements, including any planned warranties; and the requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data.

5. Government Furnished Property/Materials/Information. List in aggregate.

6. Other Considerations. Describe anything relevant that does not fit in previous paragraphs.

7. Milestones for the Acquisition Cycle. Dates should be filled in for the milestones below. See Exhibit 5A for guidance on average lead-time standards for each milestone. In addition to providing the dates below, address any anticipated problems with the following milestones and any anticipated problems with the following milestones and any others that are appropriate.

Acquisition plan due.  
Acquisition plan approval.  
Completion of acquisition package.  
Directorate Acquisition Review Committee approval.  
MIPR/RO/Administrative Service Request signed and mailed by CPA.  
Contract award.

8. Identification of Participants in Acquisition Plan Preparation. List the name, code, and telephone number of each individual who participated in preparing the acquisition plan.

Acquisition How-To Guide

Aug 93

PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

DETERMINATION AND FINDINGS

INTERAGENCY ACQUISITION UNDER THE ECONOMY ACT

Based on the findings described in the previous paragraphs and pursuant to the requirements of FAR 17.502 and DFARS 217.502, it is determined that:

- a. It is in the Government's best interest to place an interagency order for the services and/or supplies described herein;
- b. Legal authority for the acquisition otherwise exists;
- c. The action does not conflict with any other agency's authority or responsibility; and

**THE FOLLOWING PARAGRAPH (d) SHOULD BE INSERTED ONLY IF THE REQUIREMENT IS FOR SERVICES AND THOSE SERVICES ARE TO BE PERFORMED BY GOVERNMENT PERSONNEL:**

d. The services to be performed by servicing agency Government personnel cannot be performed as conveniently or more economically by private contractors.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TYPED NAME: \_\_\_\_\_

TITLE: Agency Competition Advocate

APPROVED:

\_\_\_\_\_  
Directorate Head

\_\_\_\_\_  
Date

\_\_\_\_\_  
ARC Approval (ARC Secretary)

\_\_\_\_\_  
Date

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**DETERMINATION AND FINDINGS**

**INTERAGENCY ACQUISITION UNDER THE ECONOMY ACT**

Based on the findings described in the previous paragraphs and pursuant to the requirements of FAR 17.502 and DFARS 217.502, it is determined that:

- a. It is in the Government's best interest to place an interagency order for the services and/or supplies described herein;
- b. Legal authority for the acquisition otherwise exists;
- c. The action does not conflict with any other agency's authority or responsibility; and

**THE FOLLOWING PARAGRAPH (d) SHOULD BE INSERTED ONLY IF THE REQUIREMENT IS FOR SERVICES AND THOSE SERVICES ARE TO BE PERFORMED BY GOVERNMENT PERSONNEL:**

d. The services to be performed by servicing agency Government personnel cannot be performed as conveniently or more economically by private contractors.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TYPED NAME: \_\_\_\_\_

TITLE: Agency Competition Advocate

APPROVED:

\_\_\_\_\_  
Directorate Head

\_\_\_\_\_  
Date

COPY TO:  
ARC Secretary

THIS PAGE IS FOR OVER \$25K AND UNDER \$1M

**PROGRAM CONTRACT SUPPORT**

**PROGRAM TITLE:** Identify the program, such as Defense Satellite Communications System.

**DESCRIPTION OF CONTRACT SUPPORT:** Describe the types of contract and/or MIPR/RO support provided for the program.

**PROGRAM DURATION:** Identify the duration and years (if possible), such as "1990-1995, 5 years."

**ACTIVE CONTRACTS**

List non-expired contracts and/or MIPR's/RO's that support the program and a short title description for each one.

**FUTURE CONTRACTS**

List future contracts to include the proposed effort and a short title description for each one.

EXHIBIT 5D

MIPR/RO PLAN (CONTENT & FORMAT)

Government Performance

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST # \_\_\_\_\_

PART A - ACQUISITION BACKGROUND AND OBJECTIVES

1. Statement of Need.

a. **Approved Requirement:** Explain the requirement, including reference to the approval document. Explain how this effort supports a major DISA program/project.

b. **Objective:** Provide a brief description of how this MIPR/RO will satisfy approved requirement.

c. **Technical History:**

d. **Contractual/MIPR/RO History:**

(1) **Previous Protests or Congressional Inquiries:** Describe the circumstances; assistance from the Contracting Officer will be necessary.

(2) **Previous Contract:**

- **Contract Number:**
- **Contractor:**
- **Total Estimated Contract Amount:**
- **Estimated Amount Obligated on total contract:**
- **Contract Period of Performance:**
- **Objective of Contract:** Provide a very short description in particular, focus on describing the work that supports the project for which the proposed effort in this acquisition plan supports.

(3) **Previous Military Interdepartmental Purchase Request (MIPR):**

- **Receiving Department:**
- **Total Estimated Dollars:**
- **Period of Performance:**
- **Object of Effort:** Provide a brief description; also explain whether this effort was performed by



Government employees of the receiving organization and/or whether the receiving organization contracted out the effort. If the effort was contracted out, the contract number, the contractor's name, DISA dollars awarded on the contract, and the extent of competition should be listed.

e. **Alternatives Considered:** Technical and in-house versus contractor provided. Also as a part of the planning process, a DTIC search must be conducted to determine if similar work has been done in DOD. This search is completed by going to the DISA library on the second floor of HQ DISA building and following the instructions provided by the library. The DTIC search should be documented in this paragraph. Statements that either no similar work was found or if similar work was found, why the results of the effort cannot be used by DISA should be indicated here.

f. **Related In-House Efforts:** Explain any past, present, or future in-house efforts that relate to this acquisition. Example: If the proposed acquisition is in support of JIEO, "in-house" efforts should include projects performed by JIEO employees which are related to the proposed contract effort. If known, "in-house" efforts should also include those related projects performed by other DISA employees.

g. **Contracted Advisory and Assistance Services (CAAS):** Specify whether CAAS or non-CAAS. Refer to DCAI 630-60-2 for definitions of CAAS and CAAS categories. The acquisition is considered CAAS if all or a portion of the acquisition is CAAS. If the proposed acquisition is all CAAS, then identify the CAAS category and provide a description of expected benefits to be derived from the service. If the proposed acquisition is partial CAAS, describe which portion is CAAS, the CAAS category for the that portion, and a description of expected benefits to be derived from the service.

2. **Capability or Performance Requirements.** Specify the required capabilities or performance characteristics of the services/items being acquired. Indicate if there is a requirement for compatibility with existing or future programs. Include information regarding Ada in DISA software systems as follows:

a. Is new software being used under this contract or is commercial off-the-shelf (COTS) software being developed?

b. Is new software being developed?

(1) If so, is Ada being used?

(2) If Ada is not being used, why not?

c. Has a waiver for not using Ada been applied for?

Note that waivers must be obtained from the Center for Standards (Code TB).

3. Delivery or Performance Period. Specify dates or time period for delivery or performance of the items/services covered by this contract, to include options (e.g., Contract Year: Base Year, 1 Apr 92-31 Mar 93; Option Yr 1, 1 Apr 93-31 Mar 94; Option Yr 2, 1 Apr 94-31 Mar 95.)

4. Risks. Discuss any risks associated with the plan of action for this contract (e.g., unfunded work, etc.). Also describe what will be done to minimize each risk.

## PART B - PLAN OF ACTION

1. Market Research. Describe the research done which led to the decision that a MIPR action to another agency is in the best interest of DISA. See Chapter 6, Market Research and Survey, for additional guidance. Describe the benefits DISA will receive by having the other agency perform the services. For example, the servicing agency has already built the needed data base; synergy results because of the servicing agency's related efforts; the servicing agency has built specialized expertise that does not exist in DISA, etc.

### 2. Budgeting and Funding.

a. Estimated Cost/Staff Months: Provide a breakout of the estimated cost and staff months, if applicable, for the MIPR/RO. Unfunded portions of the action should also be stated, with associated risks being addressed in paragraph 4, Part A.

b. Type of Appropriation: Specify RDT&E, O&M, and/or Procurement.

c. Source of Funds: Specify if contract is to be funded by DISA funds or by an incoming MIPR (including the agency providing the MIPR).

d. Availability of Funds: Specify if the funds are currently budgeted and/or availability or the extent of availability.

3. Logistics Considerations. Describe, if applicable, the assumptions determining contractor or agency support, both initially and over the life the acquisition; the reliability,

maintainability, and quality assurance requirements, including any planned use of warranties; and the requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data.

4. Other Considerations. Describe anything relevant that does not fit in previous paragraphs.

5. Milestones for the Acquisition Cycle. Dates should be filled in for the milestones below. See Exhibit 5A for guidance on average lead-time standards milestones. In addition to providing the dates below, address any anticipated problems with the following milestones.

Acquisition plan due.  
Acquisition plan approval.  
Completion of acquisition package.  
Directorate Acquisition Review Process.  
MIPR/RO signed and mailed by CPA.

6. Identification of Participants in Acquisition Plan Preparation. List the name, code, and telephone number of each individual who participated in preparing the acquisition plan.

PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

DETERMINATION AND FINDINGS

INTERAGENCY ACQUISITION UNDER THE ECONOMY ACT

Based on the findings described in the previous paragraphs and pursuant to the requirements of FAR 17.502 and DFARS 217.502, it is determined that:

- a. It is in the Government's best interest to place an interagency order for the services and/or supplies described herein;
- b. Legal authority for the acquisition otherwise exists;
- c. The action does not conflict with any other agency's authority or responsibility; and
- d. The services to be performed by servicing agency Government personnel cannot be performed as conveniently or more economically by private contractors.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TYPED NAME: \_\_\_\_\_

TITLE: Agency Competition Advocate

APPROVED:

\_\_\_\_\_  
Directorate Head

\_\_\_\_\_  
Date

COPY TO:  
ARC Secretary

THIS PAGE IS FOR OVER \$25K AND UNDER \$1M  
(GOVERNMENT PERFORMANCE)

6. Identification of Participants in Acquisition Plan Preparation. List the name, code and telephone number of each individual who participated in preparing the acquisition plan.

PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

DETERMINATION AND FINDINGS

INTERAGENCY ACQUISITION UNDER THE ECONOMY ACT

Based on the findings described in the previous paragraphs and pursuant to the requirements of FAR 17.502 and DFARS 217.502, it is determined that:

a. It is in the Government's best interest to place an interagency order for the services and/or supplies described herein:

b. Legal authority for the acquisition otherwise exists;

c. The action does not conflict with any other agency's authority or responsibility; and

d. The services to be performed by servicing agency Government personnel cannot be performed as conveniently or more economically by private contractors.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TYPED NAME: \_\_\_\_\_

TITLE: Agency Competition Advocate

APPROVED:

\_\_\_\_\_  
Directorate Head

\_\_\_\_\_  
Date

\_\_\_\_\_  
ARC Approval (ARC Secretary)      Date

THIS PAGE IS FOR \$1M AND OVER ONLY  
(Government Performance)

PROGRAM CONTRACT SUPPORT

PROGRAM TITLE: Identify the program, such as Defense Satellite Communications System.

DESCRIPTION OF CONTRACT SUPPORT: Describe the types of contract and/or MIPR/RO support provided for the program.

PROGRAM DURATION: Identify the duration and years (if possible such as "1990-1995, 5 years")

ACTIVE CONTRACTS

List non-expired contracts and/or MIPR's/RO's that support the program and a short title description for each one.

FUTURE CONTRACTS

List future contracts to include the proposed effort and a short title description for each one.

EXHIBIT 5E

## PLAN AMENDMENTS (Format &amp; Content)

\_\_\_\_\_  
(Specify type of Plan)      PLAN AMENDMENT NO. \_\_\_\_\_  
(Number sequentially)

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST # \_\_\_\_\_

CONTRACT # \_\_\_\_\_ (for proposed contract modifications)

The plan for purchase request # \_\_\_\_\_ is modified as follows:

1. Change paragraph \_\_\_\_\_ to read (fill in new information)
2. Change paragraph \_\_\_\_\_ to read (fill in new information)
3. Etc.

## PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

## APPROVED:

\_\_\_\_\_  
Activity Deputy Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contracting Officer

\_\_\_\_\_  
Date

(Not required for FFRDC or MIPR/RO Plans)

\_\_\_\_\_  
Competition Advocate

\_\_\_\_\_  
Date

(Only when extent of competition is changed and if proposed modification requires a Justification for Other Than Full & Open Competition)

\_\_\_\_\_  
SADBU

\_\_\_\_\_  
Date

(Only when small & small disadvantaged business considerations are changed)

## COPY TO:

ARC Secretary

Competition Advocate

SADBU (Only Contract Plans)

EXHIBIT 5F

CONTRACT PLAN

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST DTPR33305

PART A - ACQUISITION BACKGROUND AND OBJECTIVES

1. Statement of Need.

a. Approved Requirement: Operational direction and management control of the Defense Satellite Communications System (DSCS) is the responsibility of DISA through policy established by the JCS.

b. Contract Objective: This contract will provide technical support in the areas of system requirements, modeling and simulation, system development, system integration, and test and evaluation.

c. Technical History: The DSCS is the key DOD high capacity transcontinental transmission system. Operating at super high frequency, space and associated ground segment provide critical connectivity for the National Command Authorities, Joint Chiefs of Staff, unified and specified commands, DOD agencies, Department of State, and by, resource sharing agreements, the United Kingdom and NATO. DSCS provides a multimegabit wideband relay capability for several hundred globally deployed earth terminals. Primary drivers for system improvement are the need for additional channel capacity, electronic warfare resistance, digital technology efficiency, and real time control. The operational DSCS is being upgraded with more efficient digital communications subsystems and more reliable satellite ground terminals.

d. Contractual History:

(1) Previous Protests or Congressional Inquiries:  
Not applicable.

(2) Previous Contract:

- Contract Number: DCA100-89-C-0044
- Contractor: Computer Sciences Corporation
- Total Estimated Contract Amount: \$10.4 million
- Estimated Amount Spent on this Project: \$10.4 Million



- Contract Period of Performance: 1 Oct 89 - 12 Feb 93
- Objective of Contract: To provide system engineering and technical assistance in support of the Defense Satellite Communications System.

(3) Previous Military Interdepartmental Purchase Request (MIPR): There are no previous MIPRs associated with this effort.

e. Alternatives Considered: Using in-house resources for accomplishing the required work was considered; however, personnel with the extensive system engineering qualifications are not available entirely within DISA to design, engineer, and configure the system.

f. Related In-House Efforts:

2. Capability or Performance Requirements. Successful offerer must have proven in-house computer expertise and capabilities in the areas of system modeling, system simulation, multipurpose processing, regression and operational analyses, systems analysis; knowledge of the IBM and DEC VAX operating systems, command languages, and time sharing systems. Areas requiring extensive knowledge, experience, and technical expertise as they relate to military satellite communications systems include, but are not limited to: communications system design and analysis, satellite design, earth terminal design, digital modulation, adaptive system control, testing and measurement.

3. Delivery or Performance Period. Base year, 1 Mar 93-30 Apr 94; 1st Option, 1 Mar 94-30 Apr 95, 2nd Option, 1 Mar 95-30 Apr 96.

4. Trade-offs.

5. Risks. The risk exists that no qualified small businesses will respond to the proposal since this is a sizable small business setaside. Conversations with several small businesses, done as part of the market research, indicated at least two highly qualified small businesses would be interested in responding to our proposal.

**PART B - PLAN OF ACTION****1. Sources.**

a. Sources of Supplies and/or Services: A list of qualified sources (all small businesses) is attached at enclosure 1.

b. Small and Small Disadvantaged Business Considerations: Consideration was given to a partial small business setaside; however, upon further examination of the work involved, it was determined that the tasks could not be severed. After discussions with the contracting officer and the SADB, it was decided to compete this acquisition as a total small business setaside.

c. Market Research: Market research consisted of discussions with Government personnel at HQ ESD and HQ Space Division and personnel from various contractors. In addition, several technical publications were used to develop the attached list of qualified sources.

2. Extent of Competition. Full and Open Competition after Exclusion of Sources (Small Business Set-aside).

**3. Source Selection Methodology.**

a. Proposal Evaluation Criteria: Proposal will be evaluated on cost and technical factors. Technical, which includes approach, management, prior experience, and key personnel, will be significantly more important than cost. Cost will primarily be evaluated on its realism.

b. Proposal Evaluation Plan: A Source Selection Board consisting of LTC Tom Lowman (Chairperson), TET; Rhonda LaGarde, TET; Richard Williams, TET; William Seneker, TET; William Long, EA; and Kenneth Kreis, EA. The Board will be briefed by the Contracting Officer on their duties and responsibilities.

**4. Contracting Considerations.**

a. Proposed Contract Type: Cost-Plus Award Fee.

b. Method of Acquisition: Negotiated.

5. Budgeting and Funding.

## a. Estimated Cost/Staff Months:

<u>CONTRACT YEAR</u>	<u>TECHNICAL STAFF MOS.</u>	<u>ESTIMATED COST</u>
Base Year	465	\$4,850,000
Option Yr 1	354	\$3,825,000
Option Yr 2	445	\$4,990,000

## b. Type of Appropriation: RDT&amp;E

## c. Source of Funds: DISA funds and Air Force ESD MIPR.

6. Logistics Considerations. Not applicable.7. Government Furnished Property/Materials/Information.

Reference Material  
Computer time

8. Evaluation of Contractor Performance. A task officer will be assigned to each task to assist the COR in monitoring the contractor's performance. Once a quarter, each task officer will evaluate the contractor's performance on his/her particular task in such areas as initiative, timeliness, quality, quantity, deliverables. Each task officer evaluation, along with the management evaluations, will be consolidated into an overall contractor evaluation. This evaluation will form the basis of the fee to be awarded to the contractor for that quarter.

9. Other considerations. None.10. Milestones for the Acquisition Cycle.

Acquisition plan due:	6 Feb 92
Acquisition plan approval:	16 Feb 92
Completion of acquisition package:	16 Apr 92
Directorate Acquisition Review Committee approval:	8 May 92
Issuance of synopsis:	10 Jun 92
Issuance of solicitation:	10 Jul 92
Receipt/evaluation of offers, audits, and field reports:	30 Sep 92
Beginning and completion of negotiations:	10 Nov 92
Contract preparation, review, and approval:	10 Dec 92
Contract award:	16 Dec 92
Contract closeout:	28 Feb 97

11. Identification of Participants in Acquisition Plan Preparation.

Mrs. R. LaGarde, TET, 487-2077  
Dr. R. Sims, TET, 487-2451  
LTC T. Lowman, TET, 487-2121  
CDR M. Moffitt, PMR, 692-3083  
Mr. L. Milanowski, PMR, 692-3055  
Mr. R. Martone, PC, 692-5588

## PREPARED BY:

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Project/Action Officer

---

Date

## CONCUR:

---

Contracting Officer

---

Date

---

Competition Advocate

---

Date

---

Small & Disadvantaged Business  
Utilization Specialist (SADBUS)

---

Date

## APPROVED:

---

Activity Directorate Head

---

Date

---

ARC Approval (ARC Secretary)

---

Date

SOURCE SELECTION INFORMATION - SEE FAR PART 3.104

**CONTRACT SUPPORT - PROGRAM: Defense Satellite Communications System****PROJECT:** Satellite Communications System Engineering**DESCRIPTION:** Technical assistance in support of the Defense Satellite Communications System (DSCS) in the areas of system requirements, modeling and simulation, system development, system integration, and test and evaluation.**DURATION:** Continuing**ACTIVE CONTRACTS****CONTRACTS THIS FY****FUTURE CONTRACTS**DCA100-90-C-0044  
\$10.4M, DSCS SETA,  
CSCPR #DTPR34400, DSCS  
SETA, \$13.7M, recompet  
of existing contract,  
plan to be approved Mar 92DCA100-925-C-0062, \$.9M  
Satellite Communications  
Engineering Support, STIDCA100-89-C-0020, \$2.3M  
Flexible Satellite  
Communications System  
Simulator, CSC

EXHIBIT 5G

SUMMARY OF ACQUISITION STRATEGY (CONTENT & FORMAT)

DEPARTMENT OF DEFENSE  
DEFENSE INFORMATION SYSTEMS AGENCY  
PURCHASE REQUEST # \_\_\_\_\_

PART A - ACQUISITION BACKGROUND AND OBJECTIVES

1. Statement of Need.

a. **Approved Requirement:** Explain the requirement, including reference to the approval document. Explain how this effort supports a major DISA program/project.

b. **Contract Objective:** Provide a brief description of how this contract will satisfy the approved requirement.

c. **Technical History:**

d. **Contract History:**

(1) **Previous Protests or Congressional Inquiries:** Describe the circumstances; assistance from the Contracting Officer will be necessary.

(2) **Previous Contract:**

- **Contract Number:**
- **Contractor:**
- **Total Estimated Contract Amount:**
- **Estimated Amount Obligated on Total Contract:**
- **Contract Period of Performance:**
- **Objective of Contract:** Provide a very short description; in particular, focus on describing the work that supports the project for which the proposed effort in this acquisition plan supports.

(3) **Previous Military Interdepartmental Purchase Request (MIPR):**

- **Receiving Department:**
- **Total estimated Dollars:**
- **Period of Performance:**
- **Objective of Effort:** Provide a brief description; also explain whether this effort was performed by Government employees of the receiving organization or whether the receiving organization contracted out the effort. If the effort

was contracted out, the contract number, the contractor's name, DISA dollars awarded on the contract, and the extent of competition should be listed.

e. **Alternatives Considered:** Technical and in-house versus contractor-provided. Also as a part of the planning process, a DTIC search must be conducted to determine if similar work has been done in DOD. This search is completed by going to the DISA library on the second floor of HQ DISA building and following the instructions provided by the library. The DTIC search should be documented in this paragraph. Statements that either no similar work was found or if similar work was found, why the results of the effort cannot be used by DISA should be indicated here.

f. **Related In-House Efforts:** Explain any past, present, or future in-house efforts that relate to this acquisition. Example: if the proposed acquisition is in support of JIEO, "in-house" efforts should include projects performed by JIEO employees which are related to the proposed contract effort. If known, "in-house" efforts should also include those related projects performed by other DISA employees.

g. **Contracted Advisory and Assistance Services (CAAS):** Specify whether CAAS or non-CAAS. Refer to DCAI 630-60-2 for definitions of CAAS and CAAS categories. The acquisition is considered CAAS if all or a portion of acquisition is CAAS. If the proposed acquisition is all CAAS, then identify the CAAS category and provide a description of expected benefits to be derived from the service. If the proposed acquisition is partial CAAS, describe which portion is CAAS, the CAAS category for that portion, and a description of expected benefits to be derived from the service.

2. **Capability or Performance Requirements.** Specify the required capabilities or performance characteristics of the services/items being acquired. Indicate if there is a requirement for compatibility with existing or future programs. Include information regarding Ada in DISA software systems as follows:

a. Is new software being used under this contract or is commercial off-the-shelf (COTS) software being used?

b. Is new software being developed?

(1) if so, is Ada being used?

(2) If Ada is not being used, why not?

c. Has a waiver for not using Ada been applauded for? Note that waivers must be obtained from the Center for Standards (Code TB).

3. Delivery or Performance Period. Specify dates or time period for delivery or performance of the items/services covered by this contract, to include options (e.g., Contract Year: Base Year, 1 Apr 92-31 Mar 93; Option Yr 1, 1 Apr 93-31 Mar 94; Option Yr 2, 1 Apr 94-31 Mar 95).

4. Trade-offs. Discuss the expected consequences of trade-offs among the various capability, performance, and schedule goals.

5. Risks. Discuss any risks associated with the plan of action for contract (e. g. contract placement, mixed appropriations, contractor performance, and the possibility of protests). Also describe what will be done to minimize each risk.

## PART B - PLAN OF ACTION

### 1. Sources.

a. Sources of Supplies and/or Services: As an enclosure, attach a list of the companies that are able to provide the needed supplies/services, indicating whether each company is large or small. Note that "unusual and compelling urgency" does not authorize sole source. See paragraph 2 below. However, if this acquisition is a sole source, include the source here.

b. Small and Small Disadvantaged Business Considerations: contract action being awarded sole source to an 8(a) (small and disadvantaged business), include a SIC (Standard Industrial Classification) Code in this section. This code may be obtained from the contracting officer and concurred in by the contracting activity Small and Disadvantaged Business Utilization Specialist. There are two specialists in DISA. For DECCO acquisitions, contact Code RAH (DSN 576-9106) and for HQ DISA acquisitions, contact Code AS (692-3690 or 692-3228).

NOTE THAT 8(a) SOLE SOURCES ARE PERMITTED BY REGULATION IF THE ANTICIPATED CONTRACT AWARD, INCLUDING OPTIONS, WILL NOT EXCEED \$5,000,000 FOR ACQUISITIONS ASSIGNED MANUFACTURING SIC CODES AND NOT EXCEED \$3,000,000 FOR ALL OTHER ACQUISITIONS.

2. Extent of Competition. The following is not required when the acquisition is an 8(a) sole source which falls within



the regulatory authorization that allows such a single source. Make a statement that urgency is documented in the Justification for Other Than Full and Open Competition. If a written Justification does not accompany the acquisition package, briefly describe the reasons for "unusual and compelling urgency" and any reasons for limiting the sources. Note that Justification based on "unusual and compelling urgency" is not authorization to contract sole source. Consequently, if the acquisition is limited to a single source, a discussion on why other sources in a limited competition cannot be included.

3. Contracting Considerations.

a. Proposed Contract Type: This should be discussed in detail with the Contracting Officer. See Chapter 7, Contract Types, for additional guidance.

b. Method of Acquisition: Specify sealed bidding or negotiation.

4. Budgeting and Funding.

a. Estimated Cost/Staff months: Provide a breakout of the estimated cost and staff months, if applicable, for each year of the contract. Unfunded portions of the action should also be stated, with associated risks being addressed in paragraph 5, Part A.

b. Type of Appropriation: Specify RDT&E, O&M, and/or Procurement. If mixing appropriations, address possible risks in paragraph 5, Part A.

c. Source of Funds: Specify if contract is to be funded by DISA funds or by an incoming MIPR (including the agency providing the MIPR).

d. Availability of Funds: Specify if the funds are currently budgeted and/or availability or the extent of availability.

5. Logistics Considerations. Describe, if applicable, the assumptions determining contractor or agency support, both initially and over the life of the acquisition; the reliability, maintainability, and quality assurance requirements, including any planned use of warranties; and the requirements for contractor data (including repurchase data) and data rights, their estimated cost, and the use to be made of the data.

6. Government Furnished Property/Materials/Information. List in aggregate.

7. Evaluation of Contractor Performance. Identify the methodology the COR will use to control and evaluate the contractor's performance. If the contract is to be Cost Plus Award Fee, identify the evaluation factors.

8. Other Considerations. Describe anything relevant that does not fit in previous paragraphs.

9. Milestones for the Acquisition Cycle. Dates should be filled-in for the milestones below. See Exhibit 5A for guidance on average lead-time standards for each milestone. In addition to providing the dates below, address any anticipated problems with the following milestones and any others that are appropriate.

Approval of written Justification for Other than Full and Open Competition.

Issuance of solicitation.

Receipt/evaluation of offers, audits, and field reports.

Beginning and completion of negotiations.

Contract preparation, review, and approval.

Contract award.

Contract closeout.

PREPARED BY:

\_\_\_\_\_  
Project/Action Officer

\_\_\_\_\_  
Date

CHAPTER 6

MARKET RESEARCH AND SURVEY

## CHAPTER 6

### MARKET RESEARCH AND SURVEY

1. LEGAL BASIS: 10 U.S.C. 2301(a)(5) - "It is therefore the policy of Congress that--(5) the head of an agency use advance procurement planning and market research and prepare contract specifications in such a manner as is necessary to obtain full and open competition..."
2. REGULATORY BASIS: Federal Acquisition Regulation (FAR) and Defense FAR Supplement (DFARS) Part 7, Acquisition Planning; Part 10, Specifications, Standards, and Other Purchase Descriptions; and Part 11, Acquisition and Distribution of Commercial Products.
3. DEFINITIONS:
  - a. Market Research - Market Research means the process used for collecting and analyzing information about the entire market available to satisfy the minimum agency needs to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services.
  - b. Market Survey - Market Survey means attempts to ascertain whether qualified sources capable of satisfying the Government's requirements exist. This testing of the marketplace may range from written or telephone contacts with knowledgeable federal and non-federal experts regarding similar or duplicate requirements, and the results of any market test recently undertaken, to the more formal sources-sought announcements in pertinent publications (e.g., technical/scientific journals, or the Commerce Business Daily), or solicitations for information or planning purposes.
4. BENEFITS
  - a. Fewer sole source acquisitions leading to better quality and lower costs.
  - b. Elimination of wasteful year-end spending
  - c. Elimination of restrictive specifications or statements of work.
5. PROCEDURES:
  - a. Every acquisition action must be accompanied by some form of written documentation on the market research and/or market survey conducted. The preparer of the ARC or non-ARC

acquisition packages is the responsible individual for accomplishing the task.

b. Market Research and/or Market Survey is documented in two places. The first place is in the Individual Plans (see Chapter 5, Exhibits 5B-5F). The second place is in the Justification for Other Than Full and Open Competition (See Chapter 7, Exhibit 7I). There are two paragraphs in the Justification which must address Market Research and Market Survey. The first paragraph is labeled: "EFFORTS MADE TO INSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS POSSIBLE." The second paragraph is labeled: "DESCRIPTION OF THE MARKET SURVEY CONDUCTED AND THE RESULTS, OR A STATEMENT OF THE REASONS WHY A MARKET SURVEY WAS NOT CONDUCTED."

c. Market Research and/or Market Survey efforts should be initiated to coincide with the development of the Advanced Acquisition Plan and Individual Contract Plans.

ONE WORD OF CAUTION WITH REGARD TO THE SENSITIVITY OF THE TECHNICAL INTERCHANGES WITH INDUSTRY - The point at which such interchanges must cease is when the general data under discussion becomes transformed into an approved Acquisition Package. After that point, all interface should be accomplished through the Contracting Officer.

d. Market Research and analysis involves obtaining the following information, as appropriate:

- (1) The availability of products or services suitable, as is or with minor modification, for meeting the need;
- (2) The terms and conditions and warranty practices under which commercial sales of the products are made;
- (3) The requirements of controlling laws and regulations;
- (4) The capabilities of potential contractors, including alternative arrangements and cost estimates.

e. Market Research and Survey sources are as follows:

- (1) Source lists for items of a similar nature maintained at contracting activities;
- (2) Catalogs published by manufacturers, distributors, and dealers;

(3) Informational requests for quotations or information;

(4) Responses to advance notices and solicitation synopses published in the Commerce Business Daily;

(5) GSA Federal Supply Schedules;

(6) Organizations within the C3 community, which may provide information relevant to a specific acquisition;

(7) Other Federal agencies; and/or

(8) Market tools available in DISA. DISA has market tools available for use. The four primary locations are in the Competition Advocate's Office, the Contracting Office, the DISA Small Business Office, and the Technical Information Center. The tools available at each location are listed in EXHIBIT 6A and 6C.

f. Sample Market Research and Survey Forms appear at EXHIBIT 6B. These forms may be used to collect the information needed to describe Market Research and Survey efforts in Justifications for Other Than Full and Open Competition and Individual Contract Plans.

EXHIBIT 6AMARKET RESEARCH SOURCES

1. OFFICE OF THE COMPETITION ADVOCATE (Headquarters, Bldg T-5 (692-5358)
  - a. Dun and Bradstreet Procurement Planning Service Director
  - b. Dun and Bradstreet Government Information Services
  - c. Commerce Business Daily
  - d. World Aviation Directory
  - e. National Directory of Minority and Women Owned Business Firms
  - f. Vendor Files
  - g. Industry Journals, trade papers
  - h. Government Prime Contractors Monthly
2. CONTRACTING OFFICE (Headquarters, Bldg T-5 - (692-3083)
  - a. Source Lists for items or a similar nature maintained of contracting activities
  - b. Responses to advance notices and solicitation synopses published in Commerce Business Daily, e.g. a "sources sought" response.
  - c. GSA Federal Supply Schedules
3. DISA SMALL BUSINESS OFFICE (Headquarters, Bldg 12, Rm 1430 - (692-3680)
  - a. Procurement Automated Service System (PASS)
  - b. Commerce Business Daily
  - c. Contact with Marketing Firms
  - d. Source File
  - e. National Directory of Minority and Women Owned Business Firms
4. OTHER FEDERAL AGENCIES (and Personnel)
  - a. Responses of RFQ (Request for Quotations)
  - b. Federal Procurement Data Center
  - c. Census Statistics
  - d. Economic Indicators (Consumer and Producer Price indices)
5. SOURCES OUTSIDE THE GOVERNMENT
  - a. Commercial catalogs
  - b. Site Visits
  - c. Company provided literature and brochures
  - d. Business and technical publication
  - e. Industry conferences, seminars, and expositions
  - f. Trade associations

6. TECHNICAL INFORMATION CENTER

See EXHIBIT 6C for complete list of sources.



EXHIBIT 6B

MARKET SURVEY - COMMERCIAL FIRM

DATE: \_\_\_\_\_

TIME: \_\_\_\_\_

FIRM: \_\_\_\_\_

PHONE NO: \_\_\_\_\_

REPRESENTATIVE/TITLE: \_\_\_\_\_

Introduction:

Provide your name, agency, and purpose of call.

1. Do you maintain/sell/provide \_\_\_\_\_? (Document Response)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(over, if more space is required)

2. If so, would you be interested in maintaining or selling or providing \_\_\_\_\_ under government contract to \_\_\_\_\_? Why not?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(over, if more space is required)

3. Can you recommend other sources?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(over, if more space is required)

\_\_\_\_\_  
Signature of Person Placing Call

MARKET SURVEY - GOVERNMENT SOURCE

DATE: \_\_\_\_\_

TIME: \_\_\_\_\_

FIRM: \_\_\_\_\_

PHONE NO: \_\_\_\_\_

REPRESENTATIVE/TITLE: \_\_\_\_\_

**INTRODUCTION:**

Provide your name, agency, and purpose of call.

1. Do you buy \_\_\_\_\_ (or similar)? (Document Response)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(over, if more space is required)

2. If so, who are your commercial sources?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(over, if more space is required)

3. Have you had any particular problems with finding competitive sources? If so, do you have an explanation for the lack of competition?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Over, if more space is required)

\_\_\_\_\_  
Signature of Person Placing Call

## EXHIBIT 6C

ACQUISITION DOCUMENTATION  
TECHNICAL AND MANAGEMENT INFORMATION CENTER  
MAY 1987

The following documents are maintained or ordered by the Technical and Management Information Center (TMIC) to assist DISA employees in federal management acquisitions. If you do not see a particular item listed here, do not hesitate to ask, we will try to locate and obtain the document for you. For further information contact the Technical and Management Information Center at 692-2468 or visit Building 12, Room 2345. In Reston call 437-2049, or visit the Dery Engineering Building, Room 1E07.

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GOVERNMENT ACQUISITION REGULATIONS

ASPM	Armed Services Pricing Manual
DAC	Defense Acquisition Circulars
FAC	Federal Acquisition Circulars
FAR	Federal Acquisition Regulation
DFARS	DOD FAR Supplement
AFARS	Army FAR Supplement
NFARS	Navy FAR Supplement
	Defense Logistics Agency FAR Supplement
	NASA FAR Supplement
FIRMR	Federal Information Resources Management Regulation
FPMR	Federal Property Management Regulation

MILITARY AND FEDERAL SPECIFICATIONS AND STANDARDS

CID	Commercial Item Descriptions
DID	Data Item Descriptions
DODISS	Department of Defense Index of Specifications and Standards
FIPS	Federal Information Processing Standards
FED HBK	Federal Handbooks
FED SPEC	Federal Specifications
FED STD	Federal Standards
	Joint Army-Navy Specifications
JETDS	Joint Electronics Type Designation System
	Military Drawings
MIL HBK	Military Handbooks
MIL SPEC	Military Specifications
MIL STD	Military Standards
	NASA (KSC, MSFC) Documents

## QPL            Qualified Products Lists

INDUSTRIAL STANDARDS

ANSI	American National Standards Institute
ARINC	Aeronautical Radio, Inc.
ASTM	American Society for Testing and Materials
CCIR	International Radio Consultative Committee
CCITT	International Telegraph and Telephone Consultative Committee
EIA	Electronic Industries Association
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronics Engineers
ISO	International Organization for Standardization
JIS	Japanese Industrial Standards
NEMA	National Electrical Manufacturers Association
NFPA	National Fire Protection Association
UL	Underwriters Laboratories, Inc.

MILITARY AND FEDERAL REGULATIONS AND PUBLICATIONS

CFR	Code of Federal Regulations
DISA	Defense Information Systems Agency Publications
DOD	Department of Defense Directives, Instructions, Regulations
DTIC	Defense Technical Information Center Publications
	Federal Register
GAO	General Accounting Office Publications
GPO	Government Printing Office Publications
NBS SP	National Bureau of Standards Special Publications
NTIS	National Technical Information Service Publications
OMB	Office of Management and Budget Publications

COMMERCIAL PUBLICATIONS

AT&T	Telecommunications Products
BELLCORE	Bell Communications Research, Inc. Practices
BSP	Bell Systems Practices
	Bell Systems Technical Reference
	Data Pro Directory of Software
	Data Pro Reports on:
	Communications Alternatives
	Data Communications
	Information Security
	International Telecommunications
	Microcomputers
	Minicomputers
	Telecommunication

## Data Sources:

Hardware--Data Communications  
Software  
Directory of Computer Software  
Federal Software Exchange Catalog  
Northern Telecom, Ltd. Technical Publication  
Sheets

ONLINE DATABASES

	Business Software Database
CBD	Commerce Business Daily
	Computer Database
CIS	Congressional Information Service
	Congressional Records Abstracts
	Corporate Affiliations
D&B	Dun and Bradstreet Million Dollar Directory
	Dun's Electronic Yellow Pages
DMS	DMS Contract Awards
DMS	DMS Contractors
DMS	DMS Market Intelligence Reports
DROLS	Defense Technical Information Center, Defense RDT&E On Line System
	Federal Index
	Federal Register Abstracts
GPO	Government Printing Office Monthly Catalog and Reference File
INSPEC	Information Services for Physics, Electronics and Computing Microcomputer Index
MOODY'S	Moody's Corporate News and Profiles
MENU	International Software Database
NTIS	National Technical Information Service
	PTS Aerospace/Defense Markets and Technology
	Specifications and Standards (Federal and Military)
	Standard & Poor's News and Register
	Washington Post Electronic Edition

CHAPTER 7

ACQUISITION PACKAGE DOCUMENTATION

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## EXHIBIT 7A

## PERIOD OF PERFORMANCE/OPTIONS

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EXHIBIT 7A  
PERIOD OF PERFORMANCE/OPTIONS

1. Priced/Unpriced Options.

a. The term "option" means a unilateral right in a contract by which, for a specific time, the Government may elect to purchase additional supplies or services called for by the contract or may elect to extend the term of the contract.

b. The term "priced option" and "unpriced option" was officially used in a Secretarial directive dated 31 Jan 1986 (Assistant Secretary of Defense, Acquisition and Logistics). A copy of that directive is available in Code PR. The basic concepts in the directive are still in effect. Unpriced options are considered to be "new procurement" and the justification requirements of FAR Subpart 6.3 must be complied with before the option is exercised.

c. "Priced Option" means an option where prices or estimated costs for the option quantities or performance periods are specified in the contract at the time of award and the option prices or estimated costs are not subject to renegotiation or adjustment at the time the option is exercised unless a price adjustment clause is included in the contract.

d. "Unpriced Option" means an option where the prices or estimated costs for the option quantities or performance periods are not specified in the contract at the time of award and the option prices are negotiated at the time the option is exercised.

(1) "Evaluated Option" means an option which is considered in the award evaluation.

(2) "Unevaluated Option" means an option that is not considered in the award evaluation.

(3) "Funded Option" means specific appropriations/funds committed and certified "available" and made available to the Contracting Officer.

2. Use of Options.

a. There are two types of options;

(1) Options for additional quantities; and

(2) Options to extend the contract performance period.

b. Options for additional quantities of supplies or services may be a part of an option to extend the contract performance period.

c. As a general rule, HQ DISA contracts which cover multiple 12-month performance periods should be structured as a base contract year of 12 months with the appropriate number of option years. In the case of DECCO contracts when services are funded by CSIF (industrial fund/noneyear money), the contracts may be structured as multi-year or as a base contract year with an appropriate number of option years. In the latter case, the Project Officer should contact the Communications Procurement Directorate, DECCO, Scott Air Force Base, (DSN 576-2139) to discuss the appropriate structure of a proposed DECCO acquisition.

d. As a general rule, the scope of work/specification shall be defined to the maximum extent possible for all option years and/or quantities. The extent of detail in defining the scope of work will depend on the complexity of the requirement, performance certainties/uncertainties, and the likelihood of change.

### 3. Period of Performance.

a. Period of performance goes hand-in-hand when discussing options. The period of performance for a proposed contract effort includes the base year and all option years.

b. The FAR permits the total of the basic and option periods to equal up to five years without special review and approvals. The FAR also permits the agency to go beyond a total of five years as long as there are no prohibitions in the statute for the particular type or class of supply or services. As an example, statute limits contracts for communications services to a total of ten years (See FAR 17.204 (e)). In the case of ADP systems, a period of performance which covers the system's life is permissible.

c. In determining the period of performance for a contract requirement, the degree of risk in contract performance and estimating cost or price is a primary consideration. Because one factor in determining contract type is the degree of risk in contract performance and cost estimating, period of performance may also be related to contract type. Consequently, tying contract type to a contract period of performance, commensurate with risk involved in defining the work and estimating the cost, is logical. In this regard, some thoughts on performance period

related to the two basic types of contracts (fixed price and cost reimbursement) follow:

(1) **Fixed Price Contracts and Period of Performance.** Fixed-price contracts are used when the degree of contract performance risk at a fixed price can be predicted with an acceptable degree of certainty. When a requirement is fixed-price, one can generally fix price the requirement for extended periods of performance (say five years).

(2) **Cost Reimbursement Contracts and Period of Performance.** (Note there are variations of this basic type to include Cost-Plus-Fixed-Fee (CPFF) and Cost-Plus-Award-Fee (CPAF). Cost-reimbursement contracts are used when there are both cost and performance uncertainties. Consequently, a performance period of shorter than five total years may be logical. Some benefits of such a shorter period may include:

- Providing an appropriate time frame to review the requirement again and refine the statement of work. Revisiting a broadly defined (often typical of cost reimbursement type contracts) statement of work should enhance the further definition of the requirement and enhance further competition.

- Requires the incumbent contractor to "keep on its toes" with respect to quality performance and cost controls.

- Requires the incumbent contractor to "sharpen its pencil" as far as cost estimating on follow-on contract efforts.

- Decreasing the contract estimating risk. In order to "cost" options or negotiate an agreement on how much the Agency will pay in the option years, work must be defined sufficiently so that competitors can provide reasonable estimates on how much those options will cost. Each "out year" (option year) becomes increasingly difficult to determine scope of work in a cost reimbursement environment and to estimate by Government and contractors alike. The further an estimate must be projected, the more vague it becomes.

#### 4. Reasonable Certainty of Funds Availability.

a. Before options can be used and before they can be included in the evaluation for award, a contracting officer must have evidence that there is a reasonable certainty that funds will become available when it comes time to exercise the option. The likelihood of funds becoming available provides support that the options are likely to be exercised.

b. To support "reasonable certainty" of funds availability, at least evidence of one of the following, listed in order of higher probability of certainty to lower probability of certainty, should be included in the acquisition package for contract file documentation to support the contracting officer in making decisions on using options:

(1) The option work is identified in the DISA portion of the President's Budget and appropriations data indicating funds are available for the option years are identified in the acquisition package which is approved by the appropriate Agency financial manager; a Military Interdepartmental Purchase Request (MIPR) or other type of purchase request with appropriations data indicating funds are available for options approved by the appropriate activity financial manager.

(2) The option work is identified in the DISA portion of the President's Budget and appropriations data "subject to availability of funds" for the option years are identified in the acquisition package approved by the appropriate Agency financial manager; a Military Interdepartmental Purchase Request (MIPR) or other type of purchase request with appropriations data "subject to availability of funds" identified for the options approved by the appropriate activity financial manager.

(3) Other written commitments by outside (outside DISA) activities, which may include commitments by message, Agency-to-Agency Memoranda of Understanding, or Interagency Support Agreements, signed by the activity Comptroller (or equivalent) and activity head or deputy.

(4) Other written commitments by outside (outside DISA) activities, which may include commitments by message, Agency-to-Agency Memoranda of Understanding, or Interagency Support Agreements, signed by the activity Comptroller (or equivalent).

(5) Other written commitments by outside (outside DISA) activities, which may include commitments by message, Agency-to-Agency Memoranda of Understanding, or Interagency Support Agreements, signed by the activity head or deputy.

c. In those cases where "reasonable certainty" cannot be provided but the options are deemed to be in the best interest of the Government, those options may be included. However, because the contracting officer has the discretion to exclude those options in the evaluation of the proposal (see FAR 17.206 (b)), the contracting officer shall assess the effect of excluding those options both from the standpoint of competition and the

criticalness of quality performance. If the results of the assessment indicate that competition or quality performance will be affected to the extent that DISA mission could be impaired, the contracting officer shall refer the matter one level above for resolution.

## EXHIBIT 7B

## STATEMENTS OF WORK AND PURCHASE DESCRIPTIONS

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The following is also referenced throughout this exhibit:

- Federal Acquisition Regulation (FAR) Part 10, Specifications, Standards, and other Purchase Descriptions
- DoD FAR Supplement Part 210
- Military Handbook 245B, Preparation of Statement of Work (SOW) (excerpts)
- DECCO Acquisitions - DISA Circular 350-135-1, Chapter 5, Acquisition of Systems and Equipment (extract)
- GSA Guidance to the Standard Solicitation
- DFARS Guidance (excerpt)  
Document for ADP Equipment Systems (excerpt)
- FIPS Standards Checklist

## FOREWORD

In many ways, the most important part of an acquisition package and subsequent contract is the Statement of Work (SOW) or purchase description. If the input in the form of the SOW or purchase description is unclear or incomplete, the output in terms of work performed by the contractor is very likely to be inadequate as well. Time spent making sure the SOW or purchase description fully describes the Government's need will be rewarded later by efficient contract performance. This Exhibit is designed to guide you through the process of preparing both types of documents.



1. CHECKLIST FOR PREPARING A STATEMENT OF WORK (SOW) OR PURCHASE DESCRIPTION (See Paragraph 3 following the checklist for more detail)

A. What are we contracting for?

- If services (including software development, etc.)--prepare SOW
- If off-the-shelf hardware/software--prepare purchase description
- If communications or other system--prepare SOW
- If system engineering and technical assistance--prepare sow

B. How to get started: purchase description

- Consult FAR/DFARS Part 10
- Review GSA and DoD indices of specifications and standards (see FAR/DFARS)
- Brand name or equal is minimum description required for competition (list salient characteristics)
- If unable to develop "or equal" description for ADP, prepare Justification and Approval for other than full and open competition (required for specific make and model acquisitions; see Chapter 3 of the How-to Guide)
- Review sample formats for brand name or equal in Paragraph 7 of this Exhibit

C. How to get started: SOW

- If DECCO will be conducting the acquisition, use the information in DISA Circular 350-135-1 as primary guidance and the remainder of this Exhibit as secondary guidance.
- Review applicable documents (directives, instructions, specifications and standards, FIPS PUBS, etc.)
- Decide which parts of the project will be performed inhouse vs. contracted out

- Do work analysis (work breakdown structure, per MIL-STD-881A, if applicable)
- Review sample formats and guidance material for SETA contracts, ADP hardware and software, and ADP maintenance, in paragraph 7 of this Exhibit (note that each format is slightly different and must be tailored to the specific effort based-on the item being acquired)

#### D. Begin writing

- Prepare background statement
- Identify and assemble team to develop SOW/purchase description
- For purchase description, develop:
  - Range of performance characteristics that are minimally acceptable (salient features)
- For SOW, prepare:
  - Task outline (including definitive tasks, options for additional services)
  - Task phasing
  - Description of how work will be reviewed/evaluated as to acceptability
  - Schedule of deliverables
  - Cost estimate for contracting officer (not physically included in SOW; provided separately)
  - Data Item Descriptions (specifying how reports/deliverables must be structured)
  - List of Government-furnished property/equipment
  - Type of contract (not part of SOW, but developed with contracting officer based on work described in SOW)
  - First draft of SOW
  - Review of SOW by peers (may be repeated based on comments received)
  - Final version of SOW

#### E. Review

The following checklist is designed to help the project officer or COR (and all contributing authors) remember the

key elements of preparing the SOW. The checklist will assist in evaluating the adequacy of the SOW.

- Is the SOW sufficiently specific to permit the contractor to identify and DISA to evaluate the labor and resources needed to accomplish it?
- Are the specific duties of the contractor stated in such a way that the contractor knows what is required and the COR can determine that the requirements have been met before signing the acceptance report?
- Are sentences written so that there is no question of whether the contractor is to be obligated (that is, "the contractor shall do this work," not "this work will be required")?
- Are the proper dated reference documents shown? Are they pertinent to the task? Fully or partially? Are they properly cited?
- Are specifications or appendices applicable? If so, are they properly cited? (Use the latest available revision or issue of each document and cite the date.)
- Is general information separated from directions, so that background, information and suggested procedures are clearly distinguishable from contractor responsibilities?
- Is there a date for the key tasks the contractor is to accomplish and for each item it is to deliver? If elapsed time is to deliver? If elapsed time is used, does it specify calendar days or work days.
- Are proper quantities shown?
- Have extraneous material and cross-references to contract clauses and solicitation provisions been removed? (Again, desired administrative and/or solicitation instructions are not part of the SOW and should be stated separately.)
- Are all requirements reviewed to ensure compatibility with the data item descriptions?
- Are reporting requirements (technical and progress reports) clear, defining the timing, content, and level of detail?

## 2. INTRODUCTION: FUNCTIONS AND IMPORTANCE OF THE STATEMENT OF WORK (SOW) OR PURCHASE DESCRIPTION

### A. Background

(1) Definitions. A Statement of Work (SOW) is a description of the work the Government needs performed, described in terms of what is to be done, rather than how it is to be done. A purchase description is defined in the Federal Acquisition Regulation as "a description of the essential characteristics and functions required to meet the Government's minimum needs." [NOTE: When a purchase description is used, the required item may be leased or purchased outright; the term "purchase" is a generic expression.]

(2) The purchase request should include a complete SOW which is adequate to allow potential offerors to prepare a proposal and is conducive to maximum competition. Normally, a purchase description is used if the acquisition is for a standard commercial item, whereas a SOW is used if the item being acquired is not a self-contained item. For example, to buy a personal computer on a brand name or equal basis you would prepare a purchase description, but to acquire competitively a computer system with integrated software and maintenance you would prepare a SOW.

(3) The SOW or purchase description should be presented in a manner which makes for ease of comprehension by offerors. It is essential that the SOW make clear what the purpose of the acquisition is in terms of the needed end product or effort. It is also vital that the SOW or purchase description be written for competition and not be written around a particular firm's abilities. Requirements should not be over-specified, and any restrictions on competition must be fully justified and documented.

(4) The following guidance should be used by the technical/program office in preparing the SOW or purchase description and also by the contracting officer in reviewing the SOW or purchase description upon receipt to ensure that the Government's needs are communicated to industry in the most effective manner. The SOW or purchase description is normally included in Section C of a solicitation or attached/referenced in Section J. (NOTE: Solicitations are structured in accordance with the Uniform Contract Format, which contains Sections A through M, as described in Federal Acquisition Regulation (FAR) sections 14.201-1 and 15.406-1.)

### B. Purchase Descriptions: Functions, Objectives, and Types

(1) Functions: The basic role served by a purchase description is to identify for industry what the Government's minimum needs are in terms of functions that need to be met. Purchase descriptions may also specify performance requirements or design characteristics for the item being acquired.

(2) Objectives: There are two primary objectives to be met by a purchase description: to promote competition and to satisfy the user's minimum needs for the supply or service requested.

(3) Types:

(a) FAR Part 10 and DoD FAR Supplement Part 210 contain rules for how to prepare a purchase description.

(b) (1) Purchase descriptions may be stated in terms of function, performance, or design requirements. The preferred type describes the essential functions needed by the Government in such a way as to maximize available competition. Next in preference is a performance specification that indicates a range of allowable characteristics to meet the Government's minimum needs.

(2) Generally, the minimum acceptable purchase description is stated in terms of brand name or equal, in which a brand name item known to be acceptable is listed along with its salient characteristics, so that other items may be offered, as long as they meet the "or equal" characteristics.

(3) If no other type of purchase description is feasible, a specific make and model purchase description may be used, such as "Company X printer, Model 13.11. " Be advised that for ADP equipment, a specific make and model purchase description is considered "other than full and open competition" and requires a special Justification and Approval, as further described in Exhibit 7W (see page 7W-13 for format). Therefore, it is advantageous to develop more competitive specifications, such as brand name or equal, as long as they are feasible and do not simply disguise a valid noncompetitive situation.

(c) Certain indices should be consulted before drafting a purchase description, as an existing purchase description may already exist for the item needed. They are:

(1) GSA Index of Federal Specifications, Standards, and Commercial Item Descriptions, and

(2) DoD Index of Specifications and Standards (DODISS).

FAR 10.006 describes the mandatory use of these standards.

C. SOW's: Functions, Objectives, and Types

(1) Functions: The purpose of the SOW is to explain what needs to be done, when and where it is to be done, what the final output should be, how the final output will be inspected and accepted, and (if needed) how the job is to be accomplished. The SOW describes what the Government needs and what it is entitled to receive from the contractor in return for the money spent. The SOW performs the following functions:

(a) Identifies and defines the specific items the Government wants.

(b) Enables offerors to compete on an equal footing and submit proposals that accurately address the Government's needs.

(c) Permits the offerors to propose and the Government to negotiate a meaningful price or estimate cost.

(d) Enables the contractor to perform work without direct Government supervision.

(e) Serves as the standard for judging the final product and determining whether or how much the contractor is entitled to be paid.

(2) Objectives: A clear, comprehensive, complete, and legally correct statement of the results to be achieved by the contractor ensures that the objectives of the SOW are attained. The objectives are:

(a) To provide a mutual understanding of the need (as a basis for obtaining maximum competition).

(b) To ensure that the items acquired meet the requirements.

(c) To ensure that cost proposals represent the required effort.

(3) Types: There are two basic types of SOW'S: the performance or functional type and the design type. A single SOW often contains a mix of the two types. Also, a purchase description may be included in a SOW, as shown in the sample SOW for ADP hardware and software (specific make and model) appearing

in Paragraph 7 of this Exhibit where the Government requires a system composed of individual commercial items.

(a) The performance SOW explains the objectives desired of the contractor and holds the contractor responsible for the results. The means for achieving the required performance or function are left up to the contractor to decide.

(b) The design-type SOW defines the steps to be followed or actions to be taken by the contractor to achieve the overall objectives. When the Government tells the contractor how to do the work, however, the Government is responsible for the results. As a general rule, the performance or functional SOW is preferred, as it normally places responsibility for performance on the contractor.

(c) An example of a combination-type SOW is when a procedure is defined for one part of the effort (e.g., training course requirements), but the means of completing other tasks in the SOW is left to the contractor's discretion (e.g., develop new software). In such cases, ensure that there is no conflict between the two areas differently described.

#### D. Importance of the SOW

(1) The SOW is the single most important element of an acquisition. It describes in precise terms the work (tasks, materials, services) to be acquired in order to fulfill a requirement. The significance of this document, its impact on the success or failure of the entire project, and the careful preparation entailed in its development cannot be overemphasized. By specifically delineating the tasks to be accomplished by the contractor, the conditions under which the work is to be performed, and the goods and services to be supplied, the SOW has a direct influence on the quality of the contractor's performance and the nature of the results obtained.

(2) If the descriptions of tasks contained in the SOW are deficient, the consequences may be complete failure of the project; receipt of substandard equipment, material, supplies, or services; delays and slippage in scheduled actions; increases in contract price/cost and administrative costs; and disputes between the Government and the contractor.

#### E. Relation of SOW to Other Elements of the Acquisition

(1) The SOW documents the decisions that were made during the project planning process. This early development of the definition of the project objectives is vital to the acquisition

process. The SOW provides the baseline for management and contracts personnel. It is incorporated into the Government's Request for Proposals (RFP) and into the resulting contract. If well-written, the SOW can promote competition and ensure that the Government receives the best value for its dollar.

(2) Decisions concerning the method of acquisition, the list of appropriate contract sources, the contract terms and conditions, and the criteria for the evaluation of the work performed can all be based on an analysis of the SOW. The SOW is the baseline for creating a Technical Evaluation Plan. The estimated period of performance, the schedule of deliverables, the estimated costs, and the type of contract are all developed in relation to the SOW's description of the work to be accomplished. The breakout and definition of separate tasks lead to the identifications of milestones and provide the framework and the "road map" for accomplishing contractual obligations.

### 3. STEPS TO FOLLOW: THE PROCESS OF PREPARING A STATEMENT OF WORK (SOW) IN MORE DETAIL

#### A. General.

(1) The most important part of the process of writing the SOW is planning before the writing begins. The drafter should perform the following basic steps (which are further defined below):

(a) Review documents related to or affecting the requirement (e.g., requirements document, regulatory directives, etc.),

(b) Analyze the project involved and the goals to be achieved, then identify the steps that are necessary to accomplish the effort, decide which steps can be accomplished in-house by Government employees,

(c) Take each item to be contracted for and describe in functional terms what is needed, and

(d) Begin writing the SOW.

(2) For each task, a work analysis should be performed to identify (always in terms of the Government's actual minimum needs):

(a) Inputs (those things needed to perform the work),



(b) Work processes (the steps required to attain the desired result), and

(c) outputs (things you want the contractor to accomplish and deliver to you).

(3) In short, the SOW should be able to tell the reader what needs to be done, where it is to be done, when the period of performance or required delivery dates are, what the final output is, and how the final output will be inspected and accepted.

(4) The preparation of a formal SOW may begin after programmatic approval and after the decision to solicit contractual support has been made. Certain chronological steps are listed below as general guidance for preparing the SOW. These steps are to be used, as applicable to the particular project and scope of the work involved. For example, where there is no requirement for a work breakdown structure, the steps involving this aspect are inapplicable.

#### B. Steps in More Detail

##### Step 1: Review Applicable Documents

(a) Review Requirements Documents. The program requirements documents should be carefully analyzed and the overall basic objectives isolated and defined. This analysis provides the foundation for the general description of the purpose and scope of the work.

(b) Review Regulatory Directives. A review of the DoD Directives and Instructions, and DISA Instructions, Notices, and Circulars that apply to the acquisition of the types of items required is recommended. In some cases, it may be useful to develop a bibliography citing all regulatory material.

(c) Review Specifications and Standards.

When applicable to the acquisition, a specification or similar technical requirement document should be obtained and reviewed for inclusion in the SOW. Specifications and standards are defined in FAR Part 10. It is DoD policy (see DoD Directive 4120.3, Defense Standardization and Specification Program, and DISA Instruction 630-190-2, Development and Use of Non-Government Specifications and Standards) that non-Government specifications and standards be adopted and used in lieu of the development and promulgation of a new document when there is no substantial or demonstrable advantage to the development of a new document.

DoD is placing increased emphasis on the use of commercial products and nondevelopmental items in the manufacture of military material. There are three basic types of specifications--performance specifications, design specifications, and purchase descriptions. Government specifications rarely fall completely into one of these categories. Most specifications contain a combination of detail requirements, performance requirements, and brand name description of components, which are described below:

(1) Performance/Functional Specifications. This type of specification contains merely the overall performance/functional characteristics desired for the item (e.g., configuration of the item, the detailed design, or exact measurement is not stated) allowing each contractor to design to meet the requirements. Such specifications are the preferred type.

(2) Design Specifications. This type of specification contains precise measurements, tolerances, materials, in-process tests, quality control and inspection requirements, and other detailed information. The information furnished is sufficiently detailed to insure that all items manufactured to the specifications are identical. The most common form of design specifications are detailed manufacturing drawings. The Government uses such specifications to obtain standardization, interchangeability of spare parts, and complete uniformity of product even though different contractors manufacture the items.

(3) Commercial Item Descriptions/Purchase Descriptions. FAR 10.004 contains guidance on preparing purchase descriptions. These descriptions identify the item by essential salient characteristics and/or a brand name with the use of an "or equal" statement to allow competition. Such specifications are used to purchase standard items on the commercial market competitively.

(4) Federal Information Processing Standards (FIPS) Publications. The General Services Administration (GSA) publishes a checklist of FIPS PUBS that may apply to the items to be acquired.

#### Step 2: Analyze the Steps Involved

With any contractual effort being planned, it is important that the SOW not be prepared until the Government has decided which parts of the needed work can and should be performed by

Government employees. More information on this process can be found in the discussion of the "Gateway" in Chapter 1.

### Step 3: Work Analysis

(a) A useful method of analyzing the work needed under contract is the Work Breakdown Structure (WBS). A WBS displays and defines the item to be developed or produced and relates the elements of work to be accomplished to each other and to the end product. This is done by depicting a "family tree" composed of hardware, services, and data which result from engineering efforts and completely define the project or program. The WBS addresses the system and subsystems in terms of training, support, testing, project management, data, operational activation, facilities, common support equipment, and spare/repair parts.

(b) If the nature and scope of the acquisition indicate the necessity for a formal contractor WBS, a preliminary WBS is prepared by the action officer or COR and included in the solicitation. This WBS is at a summary level and identifies the levels and WBS elements for which cost/schedule performance information will be reported by the contractor. General guidance for the development of the preliminary WBS is available in MIL-STD-881A, Work Breakdown Structures for Defense Material Items, and a simplified sample is shown at the end of this Section. Offerors should be encouraged to propose alterations to the preliminary WBS when they consider it to be unsuited to the contract work to be accomplished, or incompatible with their internal organization.

### Step 4: Begin Writing

(a) Prepare a Background Statement. The project officer or COR should draft a broad, non-technical statement describing the work to be performed to give all prospective offerors, as well as DISA, a clear and mutual understanding of the overall objectives. After appropriate coordination, this statement serves as an agreed-upon baseline for "scoping" the job and laying the groundwork for preparing task outlines. Included in this statement are the analyses of other projects and contracts, which are interrelated with this SOW, to determine their interdependencies. A SEARCH OF THE DEFENSE TECHNICAL INFORMATION CENTER FILES IS ESSENTIAL to assist in placing the contemplated work in relation to DISA overall objectives, and this search must be documented on DISA Form 1. If there are data from previous projects that have led to this SOW, or if they apply to it, this information is documented. See the sample

format for SETA contract SOW's later in this Exhibit for further information.

(b) Identify and Assemble Team. After informal coordination with the Contract Specialist, the project officer or COR identifies the organizations and personnel that will participate in preparing the SOW. The number of participants may vary markedly, ranging from the project officer or COR alone, on simple acquisitions, to a significant representation of DISA organizations for complex, development acquisitions. An excellent source of information is available in the collective knowledge of your fellow employees. Be sure to seek out the advice of others who have used contractual support in the past. Consider setting up a team of knowledgeable workers to help draft the SOW. The project officer or COR should assemble the team, determine team members' areas of responsibilities, and brief the team on the project's objectives.

(c) SOW Task Schedule Planning.

(1) Scheduling and Preparation of Task Outline. In very simple acquisitions, the project officer or COR, with the advice and counsel of the Contract Specialist, may prepare the task statements; in others, specialists in several disciplines may be consulted. In any event, team members, as required (cost analysts, technicians, scientists, logisticians), are to be assigned responsibility for researching and preparing draft outlines of tasks which fall within their purview. The ultimate responsibility for the task outline, the task statements, and the total SOW rests with the project officer or COR.

(2) Definitive Tasks. As the separate tasks elements become more definitive, the project officer or COR begins developing the period(s) of performance. Each task is assessed in terms of its objective, its importance to the project, the resources required, and the type of work involved; an estimated period is time set against each task. Tasks that may be conducted concurrently and those which require sequential performance are appropriately scheduled.

(3) Task Phasing. The nature of some acquisitions may require the project officer or COR to use a phasing technique for sequential stages of work. Feasibility studies, design studies, "breadboard" modeling, and prototyping may make up a total work effort and may be divided into individual phases.

(i) WHAT ARE THEY? Phased acquisitions are, in brief, work requirements to be performed in two or more phases

or stages of development. Upon completion of each phase the Contracting officer may issue an authorization to proceed with the next; funding of an out-year phase may be on a "subject to availability" basis.

(ii) WHY? Task phasing:

- Provides the business community with an opportunity to compete for the entire project and not just an initial front-end element of the project.

- Allows the Government to evaluate the overall approach proposed by the contractor and to assess the potential for success by initial review of SOW and subsequent evaluation of the contractor's technical proposal. This reduces risk by allowing the Government to stop an effort that appears to be unfruitful before the entire contract is completed.

- Defines estimated costs and fee.

- Reduces in-house effort.

(iii) Limitations.

- All phases must be defined to the degree that they permit realistic cost/pricing, which is frequently not possible where the follow-on phase is not adequately defined.

- The Government should not contract for two or more phases when continuance of the effort is not assured because of funding uncertainties or possible redirection of programs and priorities.

- The Comptroller must certify that all funds will be made available when required.

- Proceeding from one phase to another is subject to:

1. Availability of funds.

2. Authorization to proceed issued in writing by the Contracting officer (by contract modification).

- Unstable project definition, direction, or planning limits the application of phasing.

(4) Other Considerations.

(a) It is possible for a contractor to deliver a product required by the initial phase which would be considered contractually acceptable, but not technically acceptable to the degree that authorization could be given to commence work on the next phase. What avenues are open?

(1) Negotiate redirection of the initial phase.

(2) Terminate for the convenience of the Government.

(b) DISA must maintain credibility with the business community as well as with ourselves; we should contract only for that which we intend to complete.

(c) Each SOW defining a requirement for a phased contract must be tailored to provide a logical and realistic path towards the desired outcome.

(d) Technical management surveillance is essential.

(5) Schedule of Deliverables. After the tasks are scheduled or phased, the schedule for deliverables is prepared. This schedule is stated in precise terms--describing the items to be delivered, both during the period of performance and at completion of the contract. Precise instructions concerning the types, quantities, time, and places of delivery are included. The schedules may be expressed either in terms of time from date of contract award, or in calendar dates when other projects or program elements depend upon the deliveries. Any Government-furnished property (GFP) or services (GFS) to be furnished to the contractor are similarly scheduled for delivery to the contractor and possible return from the contractor. The project officer or COR is responsible for ensuring that GFP or GFS programmed for the project is provided to the contractor at the scheduled times.

(6) Cost Estimating. Although the SOW does not contain cost data, the information that is developed during its preparation is used to estimate the cost of the project. Calculations by discipline and skill levels, prevailing labor rates, factors, and fees (as estimated by price analysts or contract auditors), and other direct costs may be applied to derive an estimated total contract cost. Cost estimating is vital to the preparation of the SOW because, if the total estimated costs exceed funds available for the project, the project officer or COR must initiate action at this time to

decrease the effort or to increase funding. This process is, in reality, an iterative one in which the project officer or COR continually compares the cost of work desired with funds authorized. The level of detail in the cost estimate must be commensurate with that of the SOW. Guidance is provided in Chapter 24, DCAC 600-60-1.

(7) Data Item Descriptions. The project officer or COR defines in exact terms the report and data requirements to be levied on the contractor. These may address the progress reports of costs, resource loading, milestone accomplishment, and other data items that the project officer or COR considers necessary to implement information, performance measurement, and project-management-control systems. The project officer or COR will select data requirements from the DOD "Acquisition Management Systems and Data Requirements Controls List" and prepare the DD Form 1423, Contract Data Requirements List (CDRL).

Since the contractor will charge directly or indirectly for rendering reports, there is an imperative need for the project officer or COR to evaluate each data deliverable comparing its value to its cost. Care must be taken to minimize the need for project management reports, such as progress and cost expenditure reports. After the required reports are identified, the project officer or COR defines these reports in precise terms by selection of an appropriate data item description (DID), not by description in the SOW. DISA inputs are similarly defined. In some cases, contractor performance may hinge on DISA-furnished data and/or approval actions. Consequently, the CDRL must spell these out clearly, and DISA must adhere to the requirements meticulously. NOTE: For more information on the use of DD Form 1423, see Exhibit 7K of this How-to Guide.

(8) Type of Contract. While the description of the type of contract to be awarded is not a part of the SOW, information developed as a result of preparing the SOW bears directly on the Contracting Officer's decision regarding the type of contract to be used. The SOW provides the rationale for this decision; the direct relationships among the type and scope of work, the individual tasks, and the types of deliverables are overriding influences on the choice of a cost-reimbursement or a fixed-price contract.

(9) Preparation of Draft. The project officer or COR assembles files of input material and prepares the first draft of the SOW. Elaborate attachments are not used for relatively simple projects. It is helpful for the project officer or COR, who has primary responsibility for formulating the SOW, to routinely evaluate the quality of the SOW as preparation

progresses. In any case, he or she should keep in mind the main criteria needed to judge whether the material is correctly included in the SOW.

These criteria are exemplified by the following four questions:

(i) Does this information tell the contractor what he or she is required to do?

(ii) Is this information necessary to assist the contractor in understanding what is required?

(iii) Will the contractor and DISA be able to negotiate reasonable pricing parameters for these items (tasks, services, etc)?

(iv) Will the tasks, when accomplished, produce results consistent with approved project objectives?

(10) SOW Review. A practical means of reviewing the SOW is to ask knowledgeable and experienced associates to read and critique the SOW prior to submission. Ambiguities, inconsistencies, and other deficiencies can often be discovered before approval is sought in the ARC process and, more importantly, before transmittal to prospective sources. The main test is always "Is it clear?"

(11) Revision of SOW. The SOW is revised in accordance with any changes in acquisition objectives. The SOW may be revised by the project officer or COR up to the point of the release of the RFP, with the concurrence of the contracting officer.



SAMPLE WORK BREAKDOWN STRUCTURE (WBS)

<u>WBS NO.</u>	<u>PROJECT DIRECTOR</u>	<u>PRINCIPAL ENGINEER</u>	<u>SENIOR ENGINEER</u>	<u>SUBCON- TRACTOR X</u>	<u>TOTAL</u>
<u>1.0</u>					
TASK 90-1					
SUBTASK A	10	324	76	112	522
SUBTASK B			335	45	380
<u>2.0</u>					
TASK 90-2					
SUBTASK A	34	456	221		711
SUBTASK B	10		44	89	143
SUBTASK C		226	45	75	346
<u>3.0</u>					
TASK 90-3	5	90	23		118

## ESTIMATED STAFF-HOURS BY WBS

#### 4. AMENDING A SOW DURING CONTRACT PERFORMANCE AND AFTER RELEASE OF RFP

SOW Amendments. All desired modifications or variations to SOW's should be by the preparation and incorporation in the contract of approved SOW amendments, as follows:

A. SOW amendments will be in the format of the original SOW.

B. SOW amendments will be sequentially numbered and dated.

C. The portions of the SOW that are modified by the amendment will be identified with a vertical line in the right margin.

A sample SOW amendment is attached; in this example, the SOW is being amended to add a requirement for a security clearance.

#### SOW Amendment No. 1, 15 Aug 91

c. Documentation: Contractor shall provide one copy of documentation (to include operator's manual, technical reference guide, and illustrated parts list, as applicable) for each piece of hardware/software received which allows reference for the use of all facilities and features of the hardware/software. The documentation must be comprehensive, well organized, and clearly written in English.

d. Security Requirements: The security requirements are U.S. SECRET clearance and U.S. citizenship.

#### 5. DRAFTING CONVENTIONS: TERMINOLOGY, PITFALLS, AND PROBLEM AREAS

##### A. General

(1) In drafting the SOW, the Writer should be aware that SOW's are often read and interpreted by persons of varied backgrounds, such as lawyers, engineers, cost estimators, accountants, auditors, and functional specialists in security, transportation, quality control, finance, and contract management. Therefore, the SOW should be written in the simplest terms possible and should be worded to make more than one interpretation impossible.

(2) The SOW should be sufficiently specific to permit the contractor to make a list of the materials and labor required to do the work. The specific duties of the contractor should be stated in such a way that he knows what is required and the person signing the acceptance report can tell whether the contractor complied. Sentences should be written so there is no question about the contractor's obligation; state "the contractor shall do x" rather than "x work will be required." Required delivery dates should be specified, and any time periods clearly identified as to whether calendar or work days are intended.

#### B. Clarity

(1) CLARITY SHOULD BE AN OVERRIDING CONCERN OF THE DRAFTER OF A SOW. It is best to assume that the reader of the SOW you are drafting or reviewing has little or no knowledge of what is being acquired. Use the simplest words, briefest sentences, and shortest paragraphs possible. Strive to avoid the risk of misinterpretation. Make the SOW understandable to anyone who reads it. Do not assume that the reader knows what you are trying to say. Also, remember that the SOW is part of a larger document and must fit logically into it.

(2) AVOID LEGAL TERMINOLOGY AND COMPLEX VERBIAGE; words like "herewith" and "heretofore" have no place in a SOW. Construct logical sentence that are exact in their meaning. Eliminate long and involved sentences by rearranging them into two or three concise sentences, each limited to a single idea. Use simple sentence structure (i.e., subject-verb-complement/object). The natural order of words in a sentence tells the function of each word. Use a paragraph to state a single idea and elaborate on it. State the main idea (topic sentence) at the beginning so that the reader can grasp it immediately. The topic sentence is the framework to which other sentences are added to develop, expand, and support the original idea. Paragraphs should not be overly long; a good rule of thumb is to limit their length to 3-8 sentences or 80-100 words. Break up long paragraphs for ease of reading.

(3) USE CONSISTENT TERMINOLOGY THROUGHOUT THE SOW. This is especially important when using technical terms. For example, do not request "technical support" in one section and "technical services" or "support services" in another, and be particularly careful in maintaining consistency among the different sections of the RFP.

When numbers are used, employ the numeric version, rather than spelling out the number. Adopt the standard spelling of words (e.g. "preventive" not "preventative", "judgment" not

"judgement"). Be careful with punctuation, as commas and semicolons in long sentences often cause misinterpretations. Well-planned and simple sentences will avoid the need for much punctuation. If you find you are using too much punctuation, rewrite the sentence. Misunderstandings also arise in the use of abbreviations. If possible, use as few abbreviations as possible, and spell out the words in each abbreviation in parentheses the first time it is used.

Since organizations under contract to DISA are to follow the letter of the SOW in performing contractual obligations, the SOW must be written to preclude any possibility of varying interpretations of task statements, delivery dates, performance parameters, material specifications and other related descriptions. A major goal is to provide the clarity and specificity essential to an understanding by all parties; the importance of this feature cannot be overemphasized. The project officer or COR should test the descriptions formulated for inclusion in the SOW by seeking numerous opinions of the meaning of what is written. If a particular description can be misunderstood, it almost surely will be. It is essential to purge the SOW of vague or ambiguous wording before contract award.

### C. Degree of Flexibility

(1) A major concern in preparing the SOW is to determine the degree of flexibility to be permitted by the contractor. If contract terms are too broad, the contractor may explore areas and perform work not relevant to the contract's objectives. Control of the contractor's performance is less effective with such broad directions, and it is difficult to estimate contract costs, or to assess and control costs incurred during the period of performance. When the SOW is not specific enough, contractors may not be able to relate the scope of the work requirements to their capabilities nor to identify and analyze the associated risks. Precise descriptions of the tasks make the conditions of the contractor's tasks clearer, and assist in performing responsively.

(2) On the other hand, rigidly restrictive parameters in SOW's inhibit a contractor's creativity and innovative effort. The Government may lose benefits of a contractor's alternatives that are cost-effective improvements over the objectives and end products sought in the SOW. The frustration of contractors, due to lack of flexibility and overdirection by the Government, may degrade the result.

(3) The project officer or COR should carefully analyze the work or product desired by DISA and describe it in terms of these conflicting considerations of broad means and narrow limits. Whether a SOW is broad or detailed should be a function of the type of work required. If the requirement is for a well-defined and known output, then a definitive SOW should be prepared. If, on the other hand, a research and development effort is involved, only general guidelines and objectives may be described, to allow the contractor maximum latitude and creativity.

(4) Common, easily identified supplies under fixed-price contracts normally can be described in a tightly defined SOW. On the other hand, projects for equipment, materials, new software, or services that necessitate substantial technical development, normally under cost reimbursement contracts, may require some flexibility in SOW's and are to be carefully analyzed by the action officer or COR and the Contract Specialist. REGARDLESS, ALL DELIVERABLES MUST BE CLEARLY DEFINED TO INSURE THAT CONTRACT OBJECTIVES ARE ACHIEVED.

#### D. Language

(1) SOW's are best written in conventional language.

(2) Personnel in numerous disciplines must be able to understand them, arrive at the same interpretation, and use them effectively. DISA SOW's may be used and reviewed by scientists, technicians, research analysts, administrators, and attorneys; therefore, the technical specifications and work descriptions cannot be oriented entirely toward the vocabulary and knowledge of only one technical field. This aspect of preparing the SOW is a matter of analysis and judgment, since the technical requirements must be stated without sacrificing the technical specificity needed to perform the work.

#### E. Obligations

(1) The SOW must be written with the two contracting parties in mind; i.e., the Government (including the action officer or COR's office and the contracts organization) and the contractor.

(2) SOW's too often are written with the protection of the Government as a major feature but with little regard to the obligations of the Government. The Government's obligations should be spelled out as carefully as the contractor's. For example, if Government-furnished equipment (GFE) and/or data are to be provided, the nature, condition, and period of availability

of the GFE must be specified, along with the procedures to be followed for replenishment as necessary.

(3) If approval actions are required by DISA, time limits should be specified. If these are not defined and if the Government review/approval cycle results in delays, the contractor may be relieved of the contractual agreements affected, such as schedules and costs.

#### F. Delivery Dates

(1) The period of the performance and delivery schedule should be logically related to any interface requirements of the work.

(2) Normally, if the utilization of the contract product is contingent on other Government actions (or vice versa), then calendar dates for deliveries should be established to coordinate the related actions. If the deliver dates are not critically relevant to other requirements, then normally a period of performance is stated in terms of number of days after contract award.

#### G. Precision

(1) Each SOW must meet the specific requirements of the acquisition.

(2) The SOW must be responsive to project planning and system definition requirements and constraints, and also compatible with the work breakdown structure, when used.

(3) The general description of project objectives must be clear and placed in perspective to enhance contractor knowledge and understanding. The precision of the SOW has a direct bearing on contract administration, since it defines the work to be performed.

#### H. Completeness

(1) The SOW should be precise but also complete.

(2) It should delineate the entire scope of the job to be performed and specify all the tasks within that scope. Any effort not described in the SOW will be treated as a new acquisition.

#### I. Ambiguity

(1) In Government contract law, ambiguities are generally interpreted against the drafter (this is known as the rule contra proferentum). Therefore, every effort should be made to eliminate ambiguous and imprecise language from the SOW.

(2) Use the term "shall" to indicate that a requirement is binding and mandatory. Be consistent; use "shall" throughout, not a combination of "shall" and "must". The word "will" is used to express a declaration of future action. The words "shall" and "will" may not be used interchangeably. Also note that the word "may" is permissive, not mandatory, as is the term "should," which means "recommended." Note, however, that the words "may not" are prohibitive.

(3) Use the active or emphatic forms of verbs, not the passive voice. The SOW gives instructions, not suggestions.

(4) "And/or" can be a phrase with ambiguous meaning unless it is properly explained. Sometimes it is advantageous to provide examples of such phrases to help contractors better understand the Government's intentions.

(5) Avoid words with double or multiple meanings, such as "include," which may mean "included but not limited to" or "consists of." Review the list of "work words" in Appendix A of MIL-HDBK-245B to ensure proper usage of verbs commonly found in a SOW.

(6) Avoid the use of pronouns (e.g., "it" or "he"). It is better to repeat the noun to avoid misinterpretation.

(7) When "day" is mentioned, define whether calendar or work days is intended, or include a blanket statement that one or the other applies throughout the SOW.

(8) "Unless otherwise specified" should be used only when its meaning can be clarified by providing a reference to another specification. The phrase is used to indicate an alternative course of action and always comes at the beginning of a sentence or, if possible, at the beginning of a paragraph.

(9) "As specified herein" is used to refer to other documents contained in the same SOW or specification. This phrase is used when the reference is obvious or easy to locate.

(10) The phrase "to determine compliance with" or "to determine conformance to" should be used rather than "to determine compliance to."

(11) The following are examples of ambiguous terms and phrases that should be avoided in the SOW:

- in accordance with the modern standard practice
- in accordance with the best engineering practice
- workmanship shall be of the highest quality
- accurate workmanship
- installed in a neat and workmanlike manner
- skillfully fitted
- properly assembled
- good working order
- good materials
- in accordance with applicable published specifications
- products of a recognized reputable manufacturer
- tests will be made unless waived
- materials shall be of the highest grade, free from defects or imperfections, and of grades approved by the contracting officer
- carefully performed
- neatly finished
- smooth finished
- pleasing lines
- reasonable period of time ... but not limited to
- in strict accordance with
- high rate data
- elegant design
- of an approved type
- of standard type
- any phrase referring to "the Government inspector"
- to the satisfaction of the contracting officer/COR/COTR
- as determined by the contracting officer/COR/COTR
- in the opinion of the contracting officer/COR/COTR
- in the judgement of the contracting officer/COR/COTR
- unless otherwise directed by the contracting officer/COR/COTR
- all reasonable requests of the contracting officer/COR/COTR/shall be complied with
- state of the art

(12) The following are vague words with multiple meanings which should be used only if their meaning is defined in context:

- adequate
- analyze
- augment
- average
- characteristic
- check
- compatible



- concept
- consider
- current
- equal
- excessive
- functional
- guide
- guidance
- high quality
- implement
- industry practice
- investigate
- like
- parameters
- pure
- reasonably
- review
- research
- satisfactory
- similar
- some
- standard
- strong
- substantial
- sufficient
- supply
- test
- thresholds
- type
- workmanlike

## 6. REFERENCE LISTING

The following publications provide further information of a general nature that may be useful in preparing a statement of work or purchase description:

Office of Federal Procurement Policy, Office of Management and Budget, OFPP Pamphlet No. 4, Handbook for writing Administering Performance Work Statements (primarily for commercial activities contracted under OMB Circular A-76)

John T. Brogan, Clear Technical Writing (McGraw Hill, 1973)

Charles T. Brusaw, Gerald J. Alred, and Walter E. Oliu, Handbook of Technical Writing (St. Martin's, 1982)

George O. Curme, English Grammar (Barnes & Noble, 1953)

Federal Acquisition Regulation (FAR) Part 10, Specifications, Standards, and Other Purchase Descriptions

7. FORMATS/SAMPLES AND GUIDANCE FOR USE

A. Statements of Work must be individually tailored by technical and contracting personnel to attain the desired degree of flexibility for contractor creativity, both in submission of proposals and in contract performance.

B. The SOW should be structured in a consistent, orderly manner. The multidecimal numbering system should be used, as described on page 15 of MIL-HDBK-245B.

C. Remember that the SOW tells what work the contractor must perform, not how he should submit his proposal when he competes for the contract itself; instructional material on how the contractor's response to a solicitation should be structured belongs in Section L of the Request for Proposals (RFP) (recall the Uniform Contract Format described above in Paragraph 2 of this Exhibit).

D. Following are examples of formats for use in various acquisitions; these formats may be tailored to fit individual circumstances.

SETA CONTRACTS

The format provided below is designed to assist both the technical/program office in developing a complete SOW for system engineering and technical analysis (SETA). This format is recommended but may be modified based on the needs of a specific acquisition. DISA Headquarters SOW's shall, to the extent practicable, conform to the paragraph numbering given. The SOW should also be dated, for ease of reference.

TITLE: (name of project)

Date: \_\_\_\_\_

I. Introduction/General Description. This paragraph is essentially an abstract of the SOW. It should provide a summary of the objectives, scope, expected method of approach, and other items which are described in more detail in following paragraphs.

II. Background. This section should include information leading up to the acquisition that may be helpful to put the present requirement into a proper framework or perspective. Such information could include the contractor's relationship to the overall program objectives and any interrelationships that may exist with other contractors. In addition, it may be worthwhile to acquaint the contractor with DISA policies, DISA internal guidelines as expressed by existing documents, and any standard operating procedures having a bearing on the Government-contractor relationship.

III. Technical Considerations. This section should present any known significant phenomena or techniques which pertain to the effort being acquired. It should reference the previous work that has been accomplished in the area and should describe the successes and failures of the previous work.

IV. Tasks/Technical Requirements and Personnel

The action officer or COR should write each task paragraph of this section so that offerors can assign a single price to it. If the statement paragraph cannot be single-priced because it has more than one possible interpretation, it should be rewritten. If the statement cannot be priced at all, it is probably a statement of philosophy or general background rather than a task and belongs elsewhere. Do not overspecify (e.g., if one of the tasks is construction or test of a widget, a technical requirement may specify operation at 120 degrees Celsius which translates to extra dollars compared to, for example, operation at room temperature).

Careful distinction must be drawn between term or level-of-effort work statements, which essentially require the furnishing of technical effort and a report on the results thereof, and task completion type work statements which require development of tangible end items designed to meet specific characteristics. The type of requirements specified in the tasks should be clearly defined as either completion or term efforts. A completion-type requirement describes a need for a specific end product; a term effort means a requirement for a certain level of effort (labor hours or technical staff months) devoted to a specific area or function for a given period of time. For example, completion-type requirements typically include tangible end products such as demonstrations, study reports, test results, or computer programs, while term efforts may involve providing a certain level of maintenance services or technical support for a data base over a year's time.

For SETA contracts, sometimes it is not possible to describe in complete detail in the SOW all tasks that will be required over the length of the contract. In such cases, the SOW should contain a section on basic initial effort and a section on task order effort. The basic initial effort should be defined as much as possible for specific known requirements. The remaining effort may be handled by task orders that describe more definitively the specific needs that may arise within the scope of the overall SOW. The task order effort may be written in general terms but should provide potential contractors with enough information for them to prepare a technical proposal and subsequently to perform the needed work as it becomes more definitive.

Insofar as the work can be broken down into tasks, subtasks and so on, the action officer or COR should reflect this breakdown in the SOW. If a given parameter (or function or device) is to be studied (or optimized or tested) with respect to a number of variables (noise, temperature, power surge, etc.), each variable should be tabulated, listed, or made the subject of a separate subparagraph in the SOW. Variables "buried" within a narrative paragraph are too easy to overlook when pricing, negotiating, or monitoring a contract. Also, the action officer or COR should not forget testing as a task.

The action officer or COR must specify exactly what criteria the solution must meet. The action officer or COR should explicitly state which techniques or approaches are mandatory, desired, not desired, or not to be followed by the contractor and should state the criteria for acceptance. In determining whether a given criterion, goal, technique, or approach is mandatory,

desirable, or out of place in the SOW, the following tests are useful for the writer to apply:

- (1) Am I certain, for good and sufficient reason, that (whatever) is the (only) way to go?
- (2) Do I really want the contractor to spend our contract dollars on this, or are there more important things to be done?

The action officer or COR should exercise great care in prescribing specialized descriptions of doctrines of reliability and maintainability. All too often rigorous and vigorous descriptive programs run up project costs and disguise a fundamental lack of reliability, maintainability, safety, and economy in a design. The place to achieve the benefits of good engineering design is in the design concept itself, not in after-the-fact corrective programs.

Quantitative reliability and maintainability (R&M) design objectives will require analysis of failures, and update of R&M predictions with data from test programs.

System safety requirements may be expressed where safety requirements are germane to the proposed effort.

Electromagnetic intercept threats should be carefully considered whenever a radiating device is involved, and guidance should be included relative to prevention of Soviet electromagnetic intercept (PSEI).

The extent to which the contractor is dependent on externally furnished decisions, actions, equipment, and facilities must be specified by the action officer or COR. All points requiring such an external approval (e.g., phase points), including decision criteria before the contractor can proceed with the tasks of the SOW, should be identified and specified.

In addition, this section of the SOW should identify any education/experience requirements for contractor personnel.

#### V. Government-Furnished Equipment (GFE), Data, or Services.

Government-furnished supplies or services to be provided to the contractor shall be identified and specified by the action officer or COR to include any limitations. (This does not include nonprogram GFE already in-plant.) All test facilities outside the contractor's control which are to be used in accordance with the SOW should be identified, specified, and detailed as to availability.

VI. Reports, Data, Briefings, and Other Deliverables.

a. The action officer or COR should describe, subparagraph by subparagraph, each end item of the contract. This is a listing of what and when the contractor is to deliver in the performance of the contract.

b. Scientific and Technical Information (STINFO)  
MIL-STD-847A: The action officer or COR should insert the following standard phrase, if it applies: "The Contractor shall prepare SF 298, Report Documentation Page, in accordance with MIL-STD-847A, Format Requirements for Scientific and Technical Reports Prepared by or for the Department of Defense."

c. If standard DOD "Data Item Descriptions" are used, the "Contract Data Requirements List" reporting requirements should not be duplicated in the SOW. The DD form 1423 is for this purpose, and the SOW may refer to the DD form 1423. Reference to paragraphs of the SOW should be made in block 5 of DD form 1423. The following is an example of a status report:

Monthly Report. The contractor shall prepare a Monthly Report in brief form (not to exceed two to three pages). Copies shall be received by the Contracting Officer and COR not later than the 10th day of the month following the period reported. The report will contain, as appropriate:

a. Description of approach and progress during reporting period, support by reasons for any change in approach reported previously.

b. Description of any major items of experimental or special equipment purchased or constructed during the reporting period.

c. Notification of any changes in key personnel associated with the contract during the reporting period.

d. Summary of substantial information derived from noteworthy trips, meetings, and special conferences held in connection with the contract during the reporting period.

e. Summary of any problems or areas of concern on which Government assistance or guidance is required.

f. Number of resources and dollars expended during the reporting period, and an accumulative total of resources and dollars expended from contract award to the end of the reporting period.

g. The contractor estimate of the percentage of technical work completed as of the period being reported.

h. Schedule of projected accomplishments programmed for the following months.

VII. Special Considerations. A paragraph outlining any special interrelationships between the contractor and other agencies or other contractors for use of Government-furnished or loaned property. Any other specific directions relative to technical work for the contractor to follow should be included here. This paragraph may also provide instructions to the contractor relative to the possible use of Government expertise; for example, the availability of DISA assistance in determining the state-of-the-production art. The action officer or COR should use this paragraph only when the information will not logically fit in any other place. Further, the security requirements of the contract should be included in this paragraph, along with any travel requirements.

FIP HARDWARE AND SOFTWARE SYSTEMS

Information about preparing SOW's for ADP (now referred to as FIP or Federal Information Processing Resources) hardware and software may be found in GSA's Standard Solicitation Document for ADP Equipment Systems (available from GSA, Code KMP, Washington, DC 20405, tel. (202) 566-0194), as well as in Part 270 of the DoD FAR Supplement.

Some basic points to remember are:

- Be sure to specify any interface or compatibility requirements.
- Do not specify a brand name unless you have an approved Justification and Approval for other than Full and Open Competition (see Chapter 3 of this How-to Guide).
- Address how maintenance will be performed (a sample SOW for a maintenance-only contract appears later in this Exhibit).
- Identify the environmental conditions under which the equipment or software will operate.
- Explain the level of performance expected (effectiveness level) and how downtime will be calculated and credited.

Some sample SOW's follow.



FIP Hardware and Software Systems  
STATEMENT OF WORK

1. General. Contained herein are the specific conditions for the acquisition of an AN/TYQ-37, Portable All Source Analysis System/Enemy Situation Correlation Element (ASAS/ENSCE) Workstation (PAWS) hardware and software for the Joint Interoperability Engineering Organization (JIEO) Command Center Engineering Laboratory (CCEL).

2. Background. As part of the support to the Unified and Specified Commands, DISA has designed and implemented new automated command centers. To date, the command centers have been at fixed locations. The support is on-going and will be expanded in the future with DISA designing and providing engineering assistance for mobile command centers as well. The PAWS system will be evaluated for application to the command center environment.

3. Specific Requirements.

a. Contractor Responsibilities.

(1) The contractor proposing to provide the hardware/software may be required to demonstrate the capabilities of the components prior to the award. This demonstration may consist of an on-site inspection at the vendor or customer location, in the Washington metropolitan area. The hardware to be viewed must be the specific make and model being offered.

(2) The contractor may provide new, used, and/or reconditioned equipment to satisfy the equipment requirements. If used and/or reconditioned equipment is provided, such equipment must be identified as such with the following requirements:

(a) Contractor must provide equipment maintainability certification from the Original Equipment Manufacturer (OEM);

(b) Contractor must certify that all equipment engineering changes have been applied to proposed equipment;

(c) Contractor must certify that all equipment is free of extraneous matters, such as rust, unsightly scratches, dirt, crack/broken glass, panels, etc.

(3) The contractor shall provide the entire complement of hardware and software required by a system as shown on Exhibit A.

b. Equipment.

(1) The following hardware/software shall be furnished:

Processor Assembly	1	ea
Monitor Assembly	2	ea
Video Assembly	1	ea
Printer Assembly	1	ea
Storage Assembly	1	ea
VAX/VMS V4.6 Software	1	ea
MICROVMS Workstation Software (VWS) V3.2	1	ea
NOVA GKS V4.51 Software	1	ea
VAX GKS V3.0 Software	1	ea
Excelan EXOS Software	1	ea
FORTTRAN Compiler V4.7 Software	1	ea
C Compiler V2.3 Software	1	ea
PARALLAX Window Driver (PW) V1.0 Software	1	ea
PARALLAX Driver (PJ) V1.0 Software	1	ea
HP THINKJET Print Filter V1.0 with source code	1	ea
Intermediate Diagnostics V1.3	1	ea
Organizational Diagnostics V1.0	1	ea
Installation Checkout Software V1.0	1	ea

(2) The PAWS hardware provides the primary means for ASAS/ENSCE intelligence analysts and system supervisors to interact with the ASAS/ENSCE system. In order for JIEO to

properly support the ASAS/ENSCE community, the JIEO system must be compatible with the AN/TYQ-37. The vendor shall provide equipment with the following specific characteristics:

(a) The Processor Assembly Shall:

(1) Include a DEC MicroVAX II KA630 CPU, a Camintonn CMS-1630 with 16 MB of RAM memory, two (2) Excelan EXOS 203/4 Network AccessUnits, a Comintonn CM DHV-11 16 channel serial input/output device, a DEC VCB02 Color Graphics Controller, and Emulex QD21 ESD1 Hard Disk Drive Controller, a Parallax 1280 Color Graphics Controller, a Fibercom Inc. Quad Port Transceiver, and a Maxtor 320 MB Hard Disk Drive, Expandable to 640 MB.

(2) Include one (1) option slot and one spare peripheral bay.

(3) Use Customer Suppression, Inc. TEMPEST filters.

(4) Fit and include an EIA Standard RS-310-C 5U transit case.

(5) Weigh no more than 112 pounds when packed for transportation.

(b) Each Monitor Assembly Shall:

(1) Include one (1) Hitachi 4619 19-inch color monitor with dual scan high resolution capability. Scan rates/resolution shall be 54 KHz/1024 x 1024 with the DEC VCB02 and 64 KHz/1280 x 1024 with the Parallax 1280.

(2) Have OCLI TEMPEST coating and use Custom Suppression, Inc. TEMPEST filters.

(3) Include dual fans.

(4) Fit and include an EIA Standard RS-310-C 9U Transit case.

(5) Weigh no more than 112 pounds when packed for transportation.

(c) The Video Assembly shall:

(1) Include one (1) Sony LDP 2000/1 video disk player, video cables and control cables, the PAWS interface

to the external power source, and the power distribution within the PAWS.

(2) Include a military three (3) pin connector for DISE cable, surge suppression equipment, a 15 amp circuit breaker, and the main PAWS power switch for the PAWS interface to the external power source.

(3) Include a circuit breaker for each assembly, a military four (4) pin connector (shield), and shielded power cables for power distribution within the PAWS.

(4) Use Custom Suppression, Inc. TEMPEST filters.

(5) Contain storage space for the cables.

(6) fit and include and EIA Standard RS-310-C 5U Transit Case.

(7) Weigh no more than 112 pounds when packed for transportation.

(d) The Printer Assembly shall:

(1) Include a Hewlett-Packard TEMPEST HP-2225 ink jet printer capable of using standard 8.5 x 11 inch paper, 132 columns in compressed mode, and 100 characters per second.

(2) Include a printer tray and a printer tie-down strap.

(e) The Storage Assembly shall:

(1) Include an 18 x 38 inch pull-out worksurface; a leveling base with three (3) inch vertical adjustment capability; strap for securing stacked assemblies; and storage space and tie-down net for video disks, a DEC Keyboard RF-LK-201, a DEC Mouse VSVSS-AA, and the printer.

(2) Fit and include a dual-wide EIA Standard RS-310-C 5U transit case.

(3) Weight no more than 112 pounds when packed for transportation.

(f) The PAWS equipment shall:

(1) Use a maximum of 1.2 KW of power at 50/60 Hz, +/- 3% and at 120 VAC, +6%-15%.

(2) Have the following networking capabilities: fiber optic Lan, Ethernet IEEE 802.3, TCP/IP, and dual-rail, counter-rotating.

(3) Withstand temperature ranging for 0 to 49 degrees Celsius when operating and -33 to 71 degrees Celsius when not operating.

(4) Withstand humidities ranging from 10% to 90% when operating and 5% to 95% when not operating.

(5) Withstand altitudes ranging from 0 to 8000 feet when operating and 0 to 30,000 feet when not operating.

(6) Withstand dust from 2 to 150 microns at 0.1 gm/cu ft; vibration of 4.2g RMS (non-operating); shocks during transportation of 20 g at 11 ms; and fungus at normal exposure, 31 degrees Celsius, 95% RH.

(7) Survive a near strike of lightning.

(8) Comply with MIL-STD 461B, Part 4 for conducted emissions and susceptibility and radiated emissions and susceptibility.

(9) Comply with the JPL TEMPEST Control Plan.

(3) All software must be fully capable of running on the PAWS system when configured for operation.

(4) Installation. Vendor shall deliver the hardware and software ordered, ready to use, within 30 days of receipt of order. Delivery shall be made to:

Defense Information Systems Agency Command Center  
Engineering Laboratory  
MITRE Corporation  
ATTN: Dr. Emami  
7525 Colshire Dr.  
McLean, VA 22102-3481

(5) Performance Requirements. All hardware and software shall perform the function for which it is intended in accordance with the specifications as outlined in this Statement

of Work, at an average effectiveness level of 90 percent, for 30 consecutive days.

**FIP HARDWARE AND SOFTWARE SYSTEMS  
STATEMENT OF WORK (SOW)**

1. General: Contained herein are the specific conditions, hardware requirements, and contractor support requirements for the purchase of ADP hardware components, maintenance and vendor-unique software support products, if applicable, required by the Defense Systems Support Organization (DSSO), the Pentagon, Washington, DC.

This requirement is a competitive action for the purchase, installation and maintenance of a nonimpact laser printer which will replace the currently leased Xerox 8700. The requirement calls for a state-of-the-art unit which will function in conjunction with existing systems and operating system software. Along with their hardware recommendations, all participants responding to the SOW shall be required to furnish separate cost figures which will define hardware, mandatory/optional software and hardware maintenance costs. This will be based on an 48-month life cycle.

2. Background: The current system configuration is comprised of the following Central Processing Units, alone with support components for each:

<u>Device</u>	<u>Quantity</u>	<u>Description</u>
IBM 4341 CPU (to be replaced by 3090 or equal)	1	Central Processing Unit
NAS 6600/30(W/CTCA)	1	Central Processing Unit

The above hardware configuration is supported by the following software packages:

- VM/370 System Product (VM/SP) (Release 5) Control Program (CP) Conversational Monitoring System (CMS)
- Multiple Virtual Storage (MVS/SP) Job Entry System (JES2) Time Sharing System (TSO/System Productivity Facility) . MVS/XA (Extended Architecture) will be acquired upon replacement of the IBM 4341 and will be used in addition to the MVS/SP.

- Communication and Network Management Remote Spooling Communication Subsystem (RSCS) VM/Pass-through Facility (Version 2, Release 1)
- Attendant Support S/W Products

### 3. Specific Requirements:

#### a. Contractor Responsibilities:

(1) Contractors proposing to provide the necessary hardware may be required to demonstrate the capabilities of the proposed printer prior to selection for award. This demonstration may consist of an on-site inspection at the vendor's location or customer thereof, preferably in the Washington metropolitan area. The equipment to be viewed shall be the specific make and model being offered.

(2) The contractor may provide new, used, and/or reconditioned equipment to satisfy the equipment requirements. If used and/or reconditioned equipment is provided, such equipment shall be identified as such with the following requirements:

(a) Contractor shall certify that all equipment engineering changes have been applied to proposed equipment.

(b) Contractor shall certify that all equipment engineering changes have been applied to proposed equipment.

(c) Contractor shall certify that the equipment is free of extraneous matter, such as rust, unsightly scratches, dirt, cracked/broken glass panels, etc.

#### b. Equipment:

(1) Equipment that is proposed as the Xerox 8700 replacement nonimpact laser printer shall be state-of-the-art which is compatible to existing hardware.

(2) Equipment will be located in the Pentagon, Room B685.

(3) The equipment acquired under the resulting contract shall be compatible with current mix of IBM components and existing operating system software.

### 4. Special Requirements:



a. Installation plans shall be included that provide for optimum utilization of facilities, equipment, and resources with minimal impact on operating schedules. Planning information should be included for the following:

(1) How the proposed equipment will be installed and integrated with existing equipment described in paragraph 2 above, and how it will fit within the space designated in the Computer Facility, approximately 100 sq. ft.

(2) Maximum cable lengths available for each item in this proposal.

(3) The weight, dimensions, and floor loading requirements. DSSO is restricted to a maximum of ten (10) inches under their raised floor. Also the raised floor itself is constructed of 2411 x 2411 standard formed steel panel laid on a pedestal assembly, rated at 1,000 lbs per square inch.

(4) The environmental requirements, temperatures and humidity range for operation, filtered air requirements, and any other special requirements.

(5) Power requirements for each item of equipment, voltage, type of receptacle(s) and phase of main supply.

b. The contractor shall provide a training profile for equipment operators and system programmers.

c. The contractor shall provide the documentation required for computer operators, hardware technical specification for the proposed hardware, operating system documentation and installation planning guides for all proposed equipment. Six (6) copies of each if required.

(1) The contractor shall provide a diagram for the replacement printer system, which includes major hardware component. Each component shall be identified by name and component number. The government requires that each of the proposed system's major components be accompanied by complete documentation. The proposed system must interface with existing systems as listed in paragraph 2; therefore, the contractor shall agree that copies of all documentation on each components(s) normally available to on-site contractor personnel, including subsequent updates, will become the property of the government upon purchase of the proposed system. The contractor's plan for updating the documentation shall be described.

(2) The contractor shall describe the architecture of the proposed hardware. The description shall indicate how the hardware can be upgraded and expanded relative to incremental memory additions up to a maximum allowed for the type of hardware proposed, in what increments these upgrades could be provided, and what installation times would be expected for each of these expansions. These descriptions shall indicate whether expansions/upgrades can be accomplished without replacement and what, if any, additional floor space will be required for each upgrade.

#### 5. System Specifications:

a. General This specification is for one nonimpact laser printer with off-line magnetic tape capability to replace the currently leased Xerox 8700. In paragraph 2, titled "Background," is a list of all existing systems. All are to remain with exception of the IBM 43431 CPU, which is in the process of being upgraded to an IBM 3090 or equal. The second CPU, a NAS 6630 will remain; the two CPU's are connected by a channel-to-channel adaptor (CTCA).

#### b. Technical Requirements:

(1) The contractor shall assume full responsibility for implementation and integration of new and existing components and maintenance support for all new hardware proposed.

(2) All equipment and microcode provided to meet this specification shall be supplied by one contractor.

#### 6. Hardware Specifications:

#### a. Nonimpact Printer Requirement:

The contractor shall provide one nonimpact laser printer with off-line magnetic tape capability which will physically be connected to the IBM 4341 and/or NAS 6630 CPU and will receive data via the Hyperchannel from such possible sources as the Honeywell DPS8 and VAX 8650. As stated in paragraph 2, the IBM 4341 will be upgraded to an IBM 3090/180E or equal by mid 1989. All systems operate under IBM-supplied operating systems.

#### b. Features Required:

(1) Printer shall have the capability of being incrementally field upgradeable. The follow-on upgrades will each increase as workload demands. All upgrades shall be

performed in the field (government's facility) and shall be incremental. Hardware swap outs will not be acceptable.

(2) The printer must have on-line capability to the IBM 4341 and/or the NAS 6630. The IBM 4341 is currently being upgraded to an IBM 3090 or equal.

(3) Duplex printing capability is required.

(4) Print speed of at least 70 pages per minute, in single and duplex mode.

(5) Output must be on 8 1/2 x 11 to 8 1/2 x 14" paper.

(6) Printer must have, as a minimum, a two-bin stacker with offsetting capability.

c. Desirable Features:

(1) Reduction capability of two pages to one side of paper.

(2) On-line capability to the VAX 8650 and Honeywell DPS 6000 systems.

d. Off-line Magnetic Tape Requirement: A 9-track, 1600/6250 BPI, R/W Off-line Tape Control Module is mandatory.

e. Cost Per Printed Page: As a separate cost item, contractor shall submit any page costs that may be incurred.

f. Support Hardware: Contractor shall provide one nonimpact laser printer. Contractor shall also provide all cables, adapters, connectors, terminating units, etc. that are required to connect the various components to each other and to existing hardware. In addition, diagrams of each interface environment shall be provided.

7. Software Specifications:

a. System Software:

(1) The successful contractor shall be responsible for installation of the nonimpact laser printer up through the then current release on their hardware. If necessary, they will deal directly with IBM in the resolution of any problems.

(2) The contractor must provide any software tools/products (precompilers, compilers, libraries, etc.).

(3) If any other vendor-unique special software, firmware, or microcode is recruited to operate unaltered versions of IBM System Control Programs (SCP's) and Program Products listed below, the license fee and support cost, if any, of that product shall be included in the cost tables.

8. Support Requirements:

a. Technical Support: The contractor shall provide a preventive maintenance schedule for the 48-month life cycle of the proposed hardware. The contractor shall describe its support plan for the proposed hardware system.

(1) The contractor shall provide the location from which it proposes to provide systems engineering support for the hardware site. Describe under what circumstances this coverage might require any additional charges.

(2) The contractor shall describe technical specialties or special experience of local systems engineering personnel which will service the proposed hardware.

(3) The contractor shall provide its management plan and/or policy for the division of responsibilities between its systems engineering personnel and DSSO's support personnel with respect to the following aspects of systems problem management:

- planning for problem avoidance
- preventive maintenance
- problem recognition/isolation/determination
- problem resolution
- problem resolution follow-up

(4) The contractor shall describe Problem Analysis Diagnostics that will enable expedient software/hardware problem analysis by DSSO personnel.

(5) If applicable, the contractor shall describe how software problems for contractor supplied products are diagnosed and where and when problems are evaluated, identified and resolved.

b. Technical Documentation Support: The contractor shall describe the method by which it plans to provide the DSSO with a continued supply of relevant technical documentation on each software or hardware product in its offer. Indicate any charges if any will apply; type of control on ordered manuals; and must update etc. be requested by DSSO or are they provided automatically?

c. Training Support:

(1) The contractor shall recommend a training approach, to include operator and system support personnel in both hardware and software support. The contractor shall provide all training recommended. Training should take place at least 30 days after contract award.

(2) Hands-on training will be required after installation of proposed hardware.

9. Maintenance of Equipment and Conditions:

a. Each bidder shall offer a maintenance proposal. Follow-on maintenance is a requirement and only contractors with this service should submit a proposal. Principal period of hardware maintenance is 11-hours a day, prime shift, 5-days a week, with a 2-hour response. Maintenance shall be based on a 12-month life cycle. The cycle shall run on fiscal year, 1 October - 30 September. The government shall have the option to renew maintenance each fiscal year at the prices supplied in the contractor proposal. A separate maintenance contract for FY 94 will follow W/O&M dollars.

b. Spare Parts Inventory, Tools, Instruments, and Technical Assistance:

(1) The contractor shall maintain an inventory of spare parts and such tools and instruments as necessary to properly and efficiently maintain the equipment for the life of the contract. Only new, original equipment manufacture (OEM) standard parts or parts equal in performance to such parts shall be used in effecting repairs. If any non-OEM parts are used, such parts shall be approved by the OEM. Parts which have been replaced shall become the property of the contractor except in the case of memory retentive devices in systems/equipment used for classified processing. Such devices shall be retained by the government with appropriate reimbursement to the contractor. The contractor shall identify all devices capable of memory retention and their appropriate reimbursement cost. The government will provide reasonable space for storing parts and equipment.

(2) The contractor shall provide evidence of OEM approval of supply parts agreements for maintenance of the equipment shown in the enclosed description of equipment when not OEM supplied.

(3) The contractor shall provide a list of all spare parts to be stocked at the contractor's site or elsewhere that

the vendor deems sufficient to provide the service required under this contract. The distance of the spare parts site from the government sites shown in the enclosed description of equipment shall be indicated. The list of spare parts shall include parts descriptions and quantities for each type and model of equipment to be maintained by the contractor. The list shall be subject to the approval government and shall become the basis for the minimum level of parts to be stocked during the term of the contract.

c. Government Alterations: Should the government make alterations, install attachments, make substitutions or additions to equipment being maintained by the contractor which affect the maintenance of this equipment, the continuation of maintenance service on this equipment shall be subject to mutual agreement. Should the alterations, attachments, substitutions or additions increase the maintenance costs to the contractor, additional maintenance charges may be negotiated. If such alterations, attachments, substitutions, or additions create a safety hazard, the contractor may discontinue maintenance on the hazardous equipment. In addition, should such be the cause of malfunction or downtime, such downtime shall not be creditable as prescribed in 11.d.(2).

d. Contractor Alterations: Contractor-proposed alterations to equipment shall be made only with the consent of the Government. Appropriate modification of the contract shall be negotiated for each such alterations which either enhances the value of the system to the Government or decreases the overall maintenance cost. The Government shall provide time to install the approved alterations within a reasonable time after being notified by the contractor that the alteration is ready to be made. The time required to make the alterations shall be outside both the normal Principal Period of Maintenance and preventive maintenance hours unless otherwise mutually agreed.

e. Post-Contract Condition of Equipment: Upon termination or expiration of this contract or the removal from this contract of any equipment, the contractor shall furnish the Government with a Certification of Maintainability from the OEM at no cost to the Government. If the equipment is not certified as maintainable by the OEM, the contractor shall return the equipment to a level qualifying for OEM certification or, at no cost to the government, have the OEM return the equipment to a level qualifying for Certification of Maintainability. This certification shall be furnished within 45 days of termination or expiration of this contract or removal of any equipment from this contract.

f. Subcontracting: It is the intention of the government that the contractor selected for maintenance of equipment listed in the enclosed description of equipment subsequently added to the contract, shall maintain this equipment. Hence, any subcontracting to be done shall be very specifically identified in the proposal as to whom the subcontractor is and exactly what equipment he is to maintain. All information required of the contractor at submission of the proposal is also required of any subcontractor. All the restrictions and requirements enumerated in the resulting contract shall be applicable to both the contractor and the subcontractor. That subcontractor may not be relieved or replaced, nor can either the contractor or the subcontractor engage in any further subcontracting for maintenance services under this contract without express prior written consent of the Contracting Officer.

g. Engineering Changes: The contractor shall furnish the Government evidence of the contractor's ability to obtain and to implement engineering changes from the OEM in a timely manner.

All OEM-sponsored engineering changes to equipment shall be made available to the government by the contractor at no charge. The contractor shall install and maintain engineering changes at a sufficiently advanced level so that current software releases by the manufacturer will be readily handled. Before the implementation of any OEM-sponsored engineering changes are conducted on equipment, notification shall be given to the government and approval received to proceed with same.

h. Communications: The contractor shall provide the Government with a telephone number for a point of contact to the Government's designated point of contact for requesting maintenance service according to the terms of this contract. The contractor shall provide continuous telephone coverage to permit the Government to make such contact at any time, 24-hours per day, seven days per week.

10. Responsibilities of the Government:

a. Maintenance: The Government shall not perform or have performed by others repairs on equipment that is under the purview of this contract.

b. Facility Requirements: The Government shall provide at the site some storage space for spare parts and reasonable working space, including heat, light, ventilation, electric current and outlets and telephones (for local calls only) for the use of maintenance personnel. Those facilities shall be within a

reasonable distance of the equipment to be services and shall be provided at no charge to the contractor.

c. Environmental Conditions: The Government shall maintain environmental conditions in accordance with the equipment environmental specifications furnished by the OEM.

11. Hardware Maintenance:

a. Types of Maintenance:

(1) Remedial: Remedial (unscheduled) maintenance shall be performed after notification that equipment is inoperable. The Contractor shall provide the Government with a designated point(s) of contact to enable its maintenance representative to receive such notification or provide an answering service or other continuous telephone coverage to permit the Government to make such contact. Remedial maintenance shall be available during the Principal Period of Maintenance (PPM) (or extended PPM, as applicable) or outside PPM for all equipment.

(a) During PPM: The contractor shall provide maintenance service with a 2-hour response time during the PPM at the fixed monthly charges shown in the appropriate exhibit. Such maintenance may be performed continuously after a service call is initiated until completion, but is not required outside the hours of PPM unless paragraph 11. a (1) (b) is invoked. The government may, at its option, elect not to have maintenance performed during any particular time period. In such an instance, no credits shall accrue to the Government for downtime or absence of maintenance personnel during such a time period. PPM will run from 0700 - 1800 Monday through Friday.

(b) Outside PPM: Maintenance specifically requested by the Government to be performed outside the PPM shall be billed on a labor hour basis as shown in Exhibits. The response time for such service shall be not more than 2 hours from the time of request. If the response time is not met by the contractor, paragraph 11.c. shall be effective just as if response time had not been met during the PPM.

(2) Preventive: Preventive (scheduled) maintenance shall be performed on a schedule which is mutually acceptable to the Government and the contractor, consistent with the government's operating requirements and based upon the specific needs of the equipment. The contractor shall specify the frequency and duration of the preventive maintenance required for the equipment shown in the exhibits. If a mutually agreed upon



preventive maintenance schedule cannot be established, the Government reserves the right to specify the time when preventive maintenance shall be held, consistent with the duration and frequency as stated in the contract. Subsequent to award and prior to initiation of service, the contractor shall publish and maintain for the Government's use a schedule for each type and model of equipment maintained describing preventive maintenance service to be performed, its frequency and its duration.

b. Maintenance Options: The Government, by giving 15 days written notice to the contractor, shall have the option to increase or decrease the PPM (Monday through Friday) as outlined below.

0700 - 2100  
0700 - 2400  
24 hours per day

Extended PPM shall be available for selected components of the systems or across-the-board system-wide, as desired by the government.

c. Response Time: The contractor's maintenance personnel, as requested by the Government, shall arrive at the site within the response time specified in paragraphs 11.a(1) (a) and (1) (b), as applicable, from the time that the Government makes a bona fide attempt to notify the contractor. If maintenance personnel fail to arrive at the site within the designated response time, the contractor shall grant a credit to the government in the amount of 1/200th of the total monthly maintenance charge for each piece of equipment and any associated equipment that is down because of malfunction for each hour or part thereof and ending with the time of arrival. In addition, should the contractor's personnel fail to arrive within 2 hours after expiration of the specified response time, the Government reserves the right to require the contractor to contact the OEM or another qualified source as determined by the Government for maintenance service. The contractor shall be responsible for all charges incurred for such service.

d. Equipment Downtime: Equipment downtime is that period of time when a machine and any associated equipment is inoperable due to hardware malfunction and scheduled workloads cannot be accomplished.

(1) Period of Equipment Downtime: Equipment downtime shall commence after a failure has occurred and the government has made the initial bona fide attempt to contact the contractor at his designated point of contact. In the event contact is not

made, the government will continue its attempt to make contact. Equipment downtime shall end when the device is returned to the government in operable condition. Eight (8) hours after commencement of equipment downtime, or any time thereafter during the equipment downtime, the government reserves the right to require the contractor to acquire maintenance service from the OEM. All charges incurred for such service shall be borne by the contractor.

(2) Credit for Equipment Downtime: If a device remains inoperable and cannot perform the scheduled workload due to equipment malfunction through no fault or negligence of the government for a total of 12 hours or more during any 24-hour period, the contractor shall grant a credit to the government for each hour of downtime in the amount of 1/200th of the total monthly maintenance charge for that device and any other devices not usable as a result of the malfunction whether or not maintained by the contractor. Credit for equipment downtime shall be computed to the nearest half hour. During a period of equipment downtime, the government may use operable equipment when such action does not interfere with remedial maintenance.

e. Effectiveness Level and Maintenance Termination: The contractor shall maintain the system at an effectiveness level of 90 percent during any month. The effectiveness level of a system is computed by dividing the operational use time by the sum of that time plus system failure downtime and the result rounded downward to the nearest 1/2 percent.

Computation of the effectiveness level will be on a monthly basis. If the effectiveness level goes below 90 percent for any 2 months in a series of 4 months, the government may terminate the contract for the balance of the contract period through standard default procedures.

f. Non-Chargeable Maintenance Items: There shall be no additional charges for:

(1) Replacement parts, unless such parts are required due to the fault or negligence of the government.

(2) Preventive maintenance, regardless of when performed.

(3) Remedial maintenance which was requested during the PPM or extension thereof as specified in the contract, regardless of when the maintenance is performed.

(4) Time spent by maintenance personnel after arrival at the site awaiting the arrival of additional maintenance personnel and/or delivery of parts, etc., after a service call has commenced.

(5) Remedial maintenance required on any machine when the scheduled preventive maintenance for that machine preceding the malfunction had not been performed unless preventive maintenance was omitted at the government's request or the contractor was denied access to the equipment.

(6) Remedial maintenance required within any 48-hour period due to a recurrence of problems presenting the same symptoms.

g. Malfunction Reports: The contractor shall furnish a signed malfunction incident report to the government site upon completion of each call for remedial maintenance. The report shall include, as a minimum, the following:

- (1) An identifying control number.
- (2) Date and time notified.
- (3) Date and time of arrival.
- (4) Type and model number of machine(s).
- (5) Serial number of machine(s).
- (6) Description of malfunction.
- (7) Parts replaced and work performed.
- (8) Time spent for repair.
- (9) Date and time machine(s) returned to operational status.
- (10) Cost of spare parts.

h. Movement of Equipment: In the event the equipment being maintained under the terms and conditions of this contract is moved within the facility the terms and conditions of this contract shall continue to apply. If the equipment is to be moved to a location not covered under this contract, then continued coverage under this contract shall be subject to mutual agreement.

(1) Suspension of Maintenance Charges: Maintenance charges shall be suspended on the date of dismantling of equipment when preparation for movement commences. Maintenance charges shall be reinstated on the date the contractor completes reassembling the equipment and certifies that the equipment is operational.

(2) Charges for Movement of Equipment to a New Site: The government reserves the right to have the contractor disassemble, reassemble, and move the equipment to and from the loading platform and the computer room. Additional charges for this movement shall be subject to a separate negotiated agreement.

(3) Charges for Movement of Equipment within a Site: The government shall be charged for movement of equipment within a site at an hourly rate as specified in the contract times the number of hours to complete the move.

(4) Shipment to a New Site: Shipment at new site shall be at the government's expense by padded van or air freight. The government may ship the equipment by government transportation or by commercial carrier or, at its option, provide the contractor with an authorization to ship by commercial carrier. Should the government exercise this option, the government shall be invoiced for transportation, rigging and drayage costs.

(5) Costs Associated w/Damage Incurred During Movement/Shipment:

(a) When the movement/shipment of equipment is under the control of the contractor and damage is incurred which results in costs for either labor or parts to restore equipment to good operating condition at the new location, such costs shall be borne by the contractor.

(b) When the movement/shipment of equipment is under the control of the government and damage is incurred which results in costs for either labor or parts to restore equipment to good operating condition at the new location, such costs shall be borne by the government.

i. Diagnostic Errors: The contractor shall pay in terms of a credit against this contract for any services and parts billed to the government for service calls whenever the contractor incorrectly diagnoses a malfunction.

12. Glossary: The definitions and explanations set forth in this category are an integral part of the terms and conditions of the Statement of Work.

a. Computer System: The total complement of equipment/software acquired to operate as an integrated group and identified as a system in this contract.

b. Equipment: An all-inclusive term which refers either to individual machines or the total complement of machines required to operate as an integrated group.

c. Equipment Failure: A malfunction in the contractor - maintained equipment excluding all external factors, which prevents the accomplishment of a job.

d. Machine: An individual unit, including features installed thereon, of a computer system identified by a type and/or model number (such as a central processing unit, an additional memory/module, a tape unit, a card reader, etc.).

e. Operational Use Time: That time during which equipment is in actual operation, exclusive of idle time, standby time or maintenance time due to machine failure; bit synonymous with "power-on" time.

f. Preventive Maintenance: That maintenance performed by the contractor on a scheduled basis which is designed to keep the equipment in proper operating condition.

g. Principal Period of Maintenance (PPM): A continuous period, either 0700-1800, 0700-2400, or 24-hours per day, Monday through Friday, excluding holidays observed by the government sits, during which maintenance is provided for a fixed price, regardless of the number of calls requested during such period.

h. Remedial Maintenance: That maintenance performed by the contractor which results from equipment failure. It is performed as required and therefore on an unscheduled basis.

i. Total Monthly Charges: All monthly charges for any month for the maintenance of equipment under this contract, including all service calls outside the PPM.

j. Extended Maintenance Period Option: Option to require maintenance service during any extension of the PPM at a fixed price for such period regardless of the number of calls requested during such period.

k. Response Time: Period of time from when a call is logged to contractor to report equipment failure and time contractor personnel are on-site to effect repair.

13. Security Requirements: The contract, as written, is unclassified. However, all assigned contractor personnel shall have TOP SECRET security clearances for access to classified areas in order to maintain in systems. This clearance information shall be included in the resume file addressed in subparagraph 14.c below. The contractor shall submit necessary security forms for accessing the DSSO computer facilities in the areas which house them.

14. Skill Level of Contractor Personnel:

a. General: All work required under this contract shall be performed by contractor personnel qualified in the intricacies of the electronics equipment, communications, electronics circuitry, mechanical devices and firmware associated with the proposed hardware. Contractor personnel shall be conversant with the interrelationship of all peripheral devices and software to the extent necessary to perform services assigned.

b. Specialized Experience/Training: Contractor personnel assigned to maintain the proposed hardware shall have a minimum of 6-months experience and shall submit proof of formal training on the proposed hardware.

c. Resumes and Certifications: The contractor shall furnish the government a resume for each employee designated to maintain the equipment proposed. The contractor shall also certify that each employee meets the experience/training requirements outlined above.

d. Replacement of Contractor Personnel: The contractor shall not replace or substitute any contractor personnel except with personnel who also meet all the above experienced requirements. Resumes and certifications as stated above shall be provided to the government for all replacement/substitute personnel.

e. Documentation: All documentation, software manuals, diagnostic routines and other aids (hereafter referred to as documentation) necessary to perform maintenance under this contract shall be furnished by the contractor, whose property it shall remain. The government, as a party to the contract, shall not be required to aid in the acquisition of documentation necessary to perform maintenance service for the term of the contract (including renewals).

15. Installation: Contractor shall deliver the hardware, and install and train government personnel on the operation of each, where requested, ready for use, within 90 days of receipt of a contract award with no additional charge. As stated, contractor shall provide the required documentation for all hardware delivered.

16. Performance Requirements: All equipment furnished shall perform the function for which it is intended in accordance with vendor's specifications and those as set forth in this Statement of Work. Hardware performance average effectiveness level shall be 90 percent for 30 consecutive days.

a. Equipment shall not be accepted and no charges shall be paid until the standard of performance is met. The date of acceptance will be the first day of the successful acceptance period.

b. The Government shall maintain appropriate daily records to satisfy the requirements of this paragraph and shall notify the Contractor in writing of the date of the first day of the successful performance period.

FIP MAINTENANCE

Some important points to remember in preparing a SOW for such services are:

- Clearly define the principal period of maintenance
- State the type of maintenance required (on-site, on call, preventive, mail-in, etc.) and be consistent in your use of terminology throughout the SOW (e.g., do not refer to "on call" in one section and "per call" in another).
- Identify any required response time for maintenance calls.
- Specify where the contractor's maintenance personnel must arrive to meet the required response time (e.g., at the front door of the building or at the computer itself).
- Make sure to attach a complete list (inventory) of hardware that is to be maintained. Verify that each item definitely requires maintenance, and ensure that the list is complete and does not omit any items that will need servicing during the contract period.
- Define how equipment downtime will be determined and how downtime credits will be assessed against the contractor.



## FIP Maintenance

## STATEMENT OF WORK

## 1.0 SCOPE OF CONTRACT

This Statement of Work sets forth requirements for hardware maintenance for the Government-owned Honeywell automated data processing equipment listed in enclosure 1, located in the Defense Systems Support Organization (DSSO), Operational Support Facility (OSF/JCO), 45335 Vintage Park Plaza, Sterling, VA.

## 2.0 TERM OF CONTRACT

The term of the contract shall be from 1 October 1993 through 30 September 1997, with the option to renew each 1 October for an additional period of four (4) years.

## 3.0 GOVERNMENT OPTIONS AND RESPONSIBILITIES

3.1 Contract Renewal Options. The option for renewal shall be exercised by written notification from the Contracting Officer by the first day of each fiscal year or within 30 days after funds for the fiscal year become available (whichever is the later) provided the Contracting Officer has given preliminary notice of the Government's intent to renew at least 30 days before expiration of the current contract. Such preliminary notice shall not be deemed as committing the Government to renewal.

3.2 Cancellation of Maintenance. The Government reserves the right to provide 30 days written notice of cancellation of all, or any portion of the maintenance services without penalty.

3.3. Addition/Replacement of Equipment. The Government may add new equipment to or replace existing equipment on the contract. Items identical to equipment already on the contract shall be added to the contract at the same monthly charges currently in effect. Models or types of equipment not currently covered by the contract shall be included only by a mutually-agreed-upon contract modification.

3.4 Equipment Operation. The Government shall have the right to operate the equipment being maintained under this contract at any time and for any period of time (exclusive of the time required for preventive maintenance) at the convenience of the Government.

3.5 Repair. The Government shall not perform, or have performed by others, any repairs on equipment under the purview of this contract.

3.6 Contractor Facilities. The Government will provide maintenance personnel reasonable storage space for spare parts/equipment and working space adequately furnished with heat, ventilation, light, electrical outlets and access to telephones for local calls only.

3.7 Equipment Environment. The Government will maintain environmental conditions in accordance with the equipment environmental specifications furnished by the Original Equipment Manufacturer (OEM).

3.8 Government Alterations. Should the Government make alterations, install attachments, make substitutions or additions to any equipment being maintained by the contractor which affect the maintenance of this equipment, the continuation of maintenance service on this equipment shall be subject to mutual agreement. Should the alterations increase the maintenance costs to the contractor, additional maintenance charges may be negotiated. If such alterations create a safety hazard, the contractor may discontinue maintenance on the equipment until such hazard is corrected. Should any Government alteration be the cause of malfunction or downtime, such downtime shall be exempted from maintenance credit computations.

3.9 Government Point of Contact. The Government shall provide to the contractor a designated Government site representative(s) with appropriate telephone number for all contacts regarding the equipment covered under the terms of this contract.

#### 4.0 RESPONSIBILITIES OF THE CONTRACTOR

4.1 General. The contractor shall provide all necessary labor, repair parts, supplies, tools, test equipment, transportation and other related services necessary to maintain the equipment in good operating condition as set forth in the OEM's technical documentation regarding standards of operation. Maintenance does not include electrical work external to the equipment, the furnishing of disposable supplies (such as tapes or ribbons) or installing/removing accessories, attachments or other devices. Unless caused by the contractor, maintenance does not include repair of damage resulting from accident, movement of equipment, neglect, misuse, failure of electrical power, air-conditioning or humidity control or causes other than ordinary use.

4.2 Diagnostics/Documentation. If not provided by the government, the contractor shall provide all documentation and diagnostics necessary to maintain the systems defined in the attached equipment list. All contractor provided documentation/diagnostics shall become the property of the government and shall be located at the Government site. All contractor furnished documentation/diagnostics shall be complete and shall be maintained at current revision levels. Any Government acquired documentation/diagnostics will be made available for contractor use if desired. All Government provided documentation/diagnostics shall remain at the Government site. The Government does not warrant the currency, completeness or adequacy of any Government acquired documentation/diagnostics. Any documentation/diagnostics (whether Government or contractor furnished) that is lost or damaged by contractor personnel shall be replaced by the contractor.

4.3 Security. Contractor personnel shall possess a TOP SECRET security clearance in order to maintain the equipment. This clearance information shall be included in the resume file addressed in subparagraph 4.4.4 below.

#### 4.4 Skill Level of Contractor Personnel

4.4.1 General. All work required under this contract shall be performed by contractor personnel qualified in the intricacies of the electronics equipment, communications, electronics circuitry, and mechanical devices associated with the computer equipment specified in the attached equipment list. Contractor personnel shall be conversant with the interrelationship of all components of their host computers and their peripheral devices to the extent necessary to perform services assigned.

4.4.2 Specialized Experience. Contractor personnel assigned shall have a minimum of six-months experience maintaining the equipment (or its equivalent) outlined in the attached equipment listing.

4.4.3 Training. Prior to being assigned to maintain the equipment shown in the attached equipment list, contractor personnel shall show proof of satisfactory completion of training of at least two-weeks duration (40 hours per week). Training shall be on devices equivalent to the attached equipment listing. This requirement is waived provided specialized experience described above has occurred within the past 3 years.

4.4.4 Resume/Certification. The contractor shall furnish the Government a resume for each employee assigned to

maintain the equipment outlined in the attached equipment listing. The contractor shall certify that each employee meets the experience/training requirements outlined above.

4.4.5 Replacement of Contractor Personnel. The contractor shall substitute for or replace assigned personnel only with personnel meeting the training/experience requirements outlined above. Resumes/certification as outlined above shall be provided for replacement/substitute personnel.

4.5 Spare Parts, Special Tools and Test Equipment. The contractor shall maintain a sufficient inventory of spare parts and all tools and test equipment required to maintain the equipment outlined in the attached equipment listing at the effectiveness level defined in paragraph 6.3. Only new standard parts, or parts equal in quality, shall be used in effecting repairs. Parts which have been replaced shall become the property of the contractor except in the case of devices that retain data in systems/equipment used for classified processing. Such devices shall be retained by the Government with mutually-agreed-upon reimbursement to the contractor. In the event contractor-furnished test equipment cannot be removed from the government site for security reasons, it shall be left at the site as Government property and the contractor will be appropriately reimbursed.

4.6 Subcontracting. It is the intent of the government that the contractor selected under the terms of this contract shall maintain the equipment. Hence, any subcontracting to be done shall be very specifically identified in the proposal as to whom the subcontractor is and exactly what equipment he is to maintain. All requirements and restrictions levied upon the contractor by this contract shall also apply to any designated subcontractor.

4.7 Engineering/Field Change Orders. The contractor shall furnish the government evidence of the contractor's ability to obtain and implement all engineering/field change orders issued by the original equipment manufacturer (OEM). All such changes sponsored by the OEM shall be made available to the Government by the contractor at no extra charge. Before implementation of any OEM-sponsored changes, notification shall be given to the Government point of contact and approval received to proceed with the installation.

4.8 Contractor Alterations. Contractor-proposed alterations to equipment shall be made only with the consent of the government. Modification of the contract, if considered appropriate, shall be negotiated for each such alteration prior

to implementation. Such alterations shall be made at a mutually-agreed-upon time.

4.9 Post-contract Condition of Equipment. Upon expiration or termination of this contract, a joint inspection team consisting of the incumbent contractor, the new contractor, if appropriate, and Government representatives shall inspect all equipment, supporting documentation and diagnostics, and government-owned test equipment to insure all is accounted for and equipment is in good operating condition prior to transfer of maintenance responsibilities.

4.10 Points of Contact. The contractor shall provide the Government site representative with a telephone number which may be called at any time 24 hours a day, seven (7) days a week to obtain service under the terms of this contract. Both a primary and a secondary phone number shall be provided.

## 5.0 HARDWARE MAINTENANCE/SERVICE REQUIREMENTS

5.1 Principal Period of Maintenance. The principal period of maintenance (PPM) required under this contract is 24 hours per day, seven (7) days per week, excluding official Government holidays. The Government, by giving 15-days written notice to the contractor, shall have the right to increase or decrease the PPM as provided under the terms of this contract.

5.2 Remedial Maintenance. Remedial (unscheduled) maintenance shall be performed upon notification by the government that equipment is malfunctioning. Remedial maintenance shall be provided during the selected PPM and shall be available at any time outside the PPM as outlined below.

5.2.1 During PPM. The contractor shall provide maintenance service (to include labor and replacement parts) during PPM at the fixed monthly rates for each hardware item in accordance, with the terms of the contract. The contractor shall arrive on-site within two (2) hours from the Government's first attempt to contact the contractor's designated point of contact. Such maintenance may be performed continuously after a service call is initiated until completion, but is not required outside the hours of PPM unless the terms of paragraph 5.2.2 are invoked. The Government may elect not to have maintenance performed during any time period. In such an instance, no credits shall accrue to the government for downtime during such a time period.

5.2.2 Outside PPM. Maintenance service at any time outside the PPM shall be available if required by the Government. Such maintenance shall be on a labor-hour basis as provided under

the terms of this contract. The contractor shall arrive on-site within two (2) hours from the government's first attempt to contact the contractor's designated point of contact.

5.3 Preventive Maintenance. Preventive (scheduled) maintenance shall be performed on a schedule which is mutually acceptable, consistent with the Government's operating requirements and based upon the specific needs of the equipment. The contractor shall perform preventive maintenance in accordance with the original equipment manufacturer's specifications. If a mutually-agreed-upon schedule cannot be established, the Government reserves the right to specify the time when preventive maintenance shall be performed.

5.4 Back-up Service. Should the contractor fail to restore any equipment to normal operating condition within 48 hours after notification of malfunction, the contractor shall, upon Government request, acquire assistance from the equipment vendor or OEM. All charges incurred for such services shall be borne by the contractor.

## 6.0 CREDITS TO THE GOVERNMENT

6.1 Response Time Credits. The contractor's maintenance personnel shall arrive at the site within the response times defined in paragraphs 5.2.1 and 5.2.2. If personnel fail to arrive on-site within the time specified, the contractor shall grant a credit to the government in the amount of one percent (1%) of the total monthly maintenance charge for each piece of malfunctioning equipment and any associated equipment that is affected by the malfunction for each hour or part thereof (rounded to the nearest hour) in excess of the specified response time and ending with the time of arrival.

6.2 Equipment Downtime Credits. If a device remains inoperable (or will operate only in a degraded mode) due to malfunction through no fault or negligence of the Government for a total of eight (8) consecutive hours or more than 12 non-consecutive hours during any 24-hour period, the contractor shall grant a credit to the Government for each such hour in the amount of one percent (1%) of the monthly maintenance charge for the malfunctioning device plus one percent (1%) of the monthly maintenance charge for any other device that is inoperable (or will operate only in a degraded mode) as a result of the malfunction. Downtime shall commence with the Government's first attempt to contact the contractor's designated point of contact and shall end when the equipment is returned to normal operating condition. Credit for equipment downtime shall be computed to the nearest hour. The total credit granted per month shall not

exceed five percent (5%) of the monthly maintenance charge for each affected device for any calendar day.

6.3 System Effectiveness Level. The contractor shall maintain the systems at an effectiveness level of 95 percent during any month. The effectiveness level of a system is computed by dividing the operational use time by the sum of that time plus system failure downtime. The credit granted shall be a reduction of the total monthly maintenance charges by the percentage determined by subtracting the actual effectiveness level from 95 percent.

#### 7.0 NON-CHARGEABLE MAINTENANCE ITEMS.

There shall be no additional charges for:

7.1 Preventive maintenance performed during PPM.

7.2 Remedial maintenance requested or begun during PPM regardless of when the maintenance is performed or completed unless the government directs performance outside the PPM.

7.3 Remedial maintenance required within a forty-eight (48) hour period due to recurrence of the same malfunction.

7.4 Time spent by maintenance personnel after arrival at the site awaiting arrival of additional maintenance personnel and/or delivery of parts, etc., after a service call has commenced.

7.5 Remedial maintenance required on any equipment when the scheduled preventive maintenance for that equipment preceding the malfunction had not been performed, unless PM was omitted at the Government's request or the contractor was denied access to the equipment.

#### 8.0 MALFUNCTION INCIDENT REPORTS

The contractor shall sign a malfunction incident report upon completion of each call for remedial maintenance. The report shall include, as a minimum, the following:

- 8.1 Date and time notified
- 8.2 Date and time of arrival
- 8.3 Machine type and model number
- 8.4 Serial number of machine

## 8.5 Description of malfunction

## 8.6 Time spent for repair

## 8.7 List of parts replaced

## 9.0 MOVEMENT OF EQUIPMENT

In the event the equipment being maintained under the terms and conditions of this contract is relocated within the site, the terms and conditions of this contract shall continue to apply. If the equipment is to be moved to a new site, continued coverage under this contract shall be subject to mutual agreement. The Government will provide at least 30-calendar days written notice of equipment relocation unless such relocation is due to an emergency.

9.1 Suspension of Maintenance Charges. Maintenance charges shall be suspended on the date of dismantling of equipment for movement/shipment. Maintenance charges will be reinstated on the date the contractor completes reassembling of equipment and certifies that equipment is operational.

9.2 Shipment to a New Site. Shipment to a new site shall be at government expense by padded van or air freight. The Government may ship by Government transportation or commercial carrier.

9.3 Costs Associated with Damage Incurred during Movement/Shipment. When shipment movement of the equipment is under the control of the contractor and damage is incurred which results in costs for either labor or parts to restore equipment to normal operating condition, such costs shall be borne by the contractor. When shipment/movement of the equipment is under the control of the Government and damage is incurred which results in costs for either labor or parts to restore equipment to normal operating condition, such costs shall be borne by the Government.

## 10.0 LIABILITY FOR INJURY OR DAMAGE

The contractor shall not be liable for any injury to Government personnel or damage to Government property arising from the use of equipment maintained by the contractor unless such injury or damage is due to the fault or negligence of the contractor.

## 11.0 INVOICES AND PAYMENT



11.1 All charges for maintenance services shall be invoiced in the month following the month for which such charges accrued and are payable when billed. All invoices shall reference the Government purchase order number under which services are being billed.

11.2 Payment for maintenance services of less than one-month duration shall be prorated by 1/30 of the monthly maintenance charges for each calendar day except that the 31st day of any month shall not be included in computation.

11.3 A separate invoice shall be prepared for remedial or preventive maintenance charges performed outside the PPM. The invoice shall list for each occurrence description of service performed, date and time service performed, total number of hours service performed, applicable hourly rate and total charges for service performed.

11.4 Any credits due the Government under the terms of paragraphs - 6.1, 6.2 and 6.3 may be applied against the contractor's maintenance invoice with appropriate documentation attached.

## 12.0 GLOSSARY

The definitions and explanations set forth below are an integral part of the terms and conditions of this contract.

12.1 Computer System. The total complement of equipment acquired to operate as an integrated group and identified as a system in this contract.

12.2 Equipment. An all-inclusive term which refers either to individual hardware devices or the total complement of hardware devices required to operate as an integrated group.

12.3 Equipment Malfunction. Any failure of equipment, excluding external factors, which prevents the equipment from operating as set forth in the OEM's technical documentation for standards of operation.

12.4 Normal/Good Operating Condition. The state in which the system and/or equipment perform in a manner equal to or better than the parameters set forth in the OEM's technical documentation for standards of operation.

12.5 Operational Use Time. That time from "power on" to "power off," excluding suspended time and downtime.

12.6 Preventive Maintenance. That maintenance performed by the contractor on a scheduled basis which is designed to keep the equipment in normal operating condition.

12.7 Remedial Maintenance. That maintenance performed by the contractors a result of equipment failure/malfunction.

12.8 Principal Period of Maintenance. A period of time specified by the Government, excluding official Government holidays, during which maintenance is performed for a fixed price regardless of the number of maintenance calls placed during such a period.

12.9 Response Time. That period of time beginning when the Government makes the initial attempt to contact the contractor's designated point of contact and ending when contractor personnel arrive on-site and begin repair.

12.10 Downtime. That period of time in which a system and/or equipment remains inoperable or will operate only in a degraded mode due to malfunction through no fault or negligence of the Government.

## EQUIPMENT DESCRIPTION

<u>CLIN</u>	<u>SUPPLIES/SERVICES</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
	LOCATION: 500 N. Washington St ----- Falls Church, VA				
0001	RICOH FAX77 S/N: R8910800614 POC: B. CAMPBELL, CIM, RM 103, 536-5640	(1 ea)	12 mo		
0002	SHARP FO-5220 S/N: 20108295 POC: B. CAMPBELL, CIM, 2ND FL, 536-6900	(1 ea)	12 mo		
	LOCATION: CMCA ----- 44845 Falcon Pl, Ste 101 Sterling, VA				
0003	PANASONIC UF-311-AU S/N: 01920400203 POC: M. PIERCE, DNSO, Ste 101, 487-8900	(1 ea)	12 mo		
	LOCATION: DEREY BLDG ----- 1860 Wiehle Ave Reston, VA				
0004	LANIER 5400 S/N: 405563 POC: B. SMITH, DNSO, RM 1F12, 487-3006	(1 ea)	12 mo		
0005	PITNEY BOWES 9200 S/N: 6493547/1 POC: J. CURTIS, DSSO, RM 1J01H, 487-3051	(1 ea)	12 mo		
0006	RICOH R2112T S/N: R2128050135 POC: C. PEARSON, JIEO, RM 1D02, 487-3003	(1 ea)	12 mo		
0007	XEROX 7021 S/N: 63N-279851 POC: S. GROVER, JIEO, RM 2A06, 487-3008	(1 ea)	12 mo		
0008	XEROX 7032 S/N: 2H8-013251 POC: C. PEARSON, JIEO, RM 2A10, 487-3003 S/N: 2H8-013276 POC: D. SANDELL, JIEO, RM 2A15, 487-3131 S/N: 2H8-013277 POC: M. BOLLINGER, JIEO, RM 1A14, 487-3124 S/N: 2H8-013284 POC: S. CARTER, JIEO, RM 1A01	(4 ea)	12 mo		

## EQUIPMENT DESCRIPTION

<u>CLIN</u>	<u>SUPPLIES/SERVICES</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
0001	DISA PAC Wheeler AFB, HI Per-Call Maintenance PPM: 0800-1700 (Mon thru Fri) 8 hours response time				
0001AA	PM015 Wang Printer S/N: YP1117 YP1524 YJ5596 YP1331	(4 ea)			
0001AB	PC-XC3-2 Wang CPU S/N: 2L2106	(1 ea)			
0001AC	6581W Wang Printer S/N: LZ2194	(1 ea)			
0001AD	PM-004-B Wang Monitor S/N: YA3844	(1 ea)			
0001AE	Wang w/LOC Boards S/N: Unknown	(3 ea)			

## WORK STATEMENT (Maintenance Requirements)

## 1.0 Responsibilities of the Contractor

The Contractor shall provide all necessary maintenance labor, repair parts, maintenance supplies, tools, test equipment, diagnostics, transportation and other related services and shall keep the equipment in proper operating condition. Maintenance service shall not include electrical work external to the equipment, attachments or other devices. Unless caused by the contractor, maintenance service shall not include repair of damage resulting from accident, movement between Government sites, neglect, misuse, failure of electrical power, air-conditioning or humidity control, or causes other than ordinary use.

## 2.0 Responsibilities of the Government

- a. Government personnel shall not perform maintenance on or attempt repairs to equipment while such equipment is under the purview of this contract unless agreed to by the Contractor.
- b. Subject to security regulations, the Government shall permit access to the equipment which is to be maintained.
- c. The Government shall maintain site requirements in accordance with the equipment environmental specifications furnished by the original equipment manufacturer.

## 3.0 Security

See Section H516, Special Contract Requirements, clause entitled "Security".

## 4.0 Skill Level of Contractor Personnel

- a. The Contractor will ensure that all personnel assigned to work on equipment covered by this contract are properly trained and highly qualified to perform the required services. The Contractor will provide the required services in accordance with the best commercial practices, without unnecessary delays or interference with Government functions. The Contractor must provide evidence of his ability to supply personnel, both in numbers and experience, necessary to perform the required maintenance services.
- b. Specialized Experience. For each type and model of hardware covered under this contract, the Contractor shall provide at least one service engineer/software support analyst with at least

two years experience maintaining and supporting similar hardware and software and experience maintaining and supporting that particular make and model equal to at least either 50% of the time that the item has been on the market or two years, whichever is less. Throughout the life of the contract, the Contractor shall maintain and provide to the Contracting Officer's Representative (COR), a current resume file to include experience by type, model and location of equipment maintained, length of experience, and related schooling, on all service engineers providing service under this contract. The Contractor shall also certify that each employee meets the experience/training/security requirements outlined above.

c. Trainees. Any service performed by trainees shall be under the direct supervision of experienced personnel. However, in no case, shall the Government be obligated to pay for training costs or have trainees provide maintenance support independent of direct supervision of trained personnel.

d. Replacement of Contractor Personnel. The Contractor shall not replace or substitute any contractor personnel except with personnel who also meet all the above experience requirements. Resumes and certifications as outlined in 4.2 above shall be provided to the COR for all replacement/substitute personnel.

## 5.0 Documentation

All documentation, software manuals, diagnostics routines and other aids (hereafter referred to as documentation) necessary to perform maintenance under this contract shall be furnished by the Contractor whose property it shall remain. The Government, as a party to the contract, shall not be required to aid in the acquisition of documentation necessary to perform maintenance service for the term of the contact (including renewals).

## 6.0 Spare Parts Inventory, Tools, Instruments and Technical Assistance

a. The Contractor shall maintain an inventory of spare parts, tools and instruments as necessary to properly and efficiently maintain the equipment for the life of the contract. Only new, original equipment manufacturer (OEM) standard parts, parts equal in performance to such parts, or used, completely refurbished parts shall be used in effecting repairs. Parts which have been replaced shall become the property of the Contractor, except in the case of memory retentive devices in systems/equipment used for classified processing. Such devices shall be retained by the Government with appropriate reimbursement to the Contractor.

b. The Contractor shall insure that the use of non-OEM spare parts will not invalidate the equipment from eligibility of OEM maintenance certification.

c. The Contractor shall, within two weeks after contract award, provide, to the COR, a list of all spare parts to be stocked at the Contractor's site or elsewhere that the vendor deems sufficient to provide the service required under this contract. The distance of the spare parts site from the Government's site shall be indicated. This list of spare parts shall include parts descriptions and quantities for each type and model of equipment to be maintained by the Contractor. The list shall be subject to the approval of the COR and shall become the basis for the minimum level of parts to be stocked during the term of the contract.

#### 7.0 Government Alterations

Should the Government make alterations, install attachments, make substitutions or additions to equipment being maintained by the Contractor which affect the maintenance of this equipment, the continuation of maintenance service on this equipment shall be subject to mutual agreement. Should the alterations, attachments, substitutions or additions increase the maintenance costs to the contractor, additional maintenance charges may be negotiated. If such alterations, attachments, substitutions, or additions create a safety hazard, the Contractor may discontinue maintenance on the hazardous equipment. In addition, should such be the cause of malfunction or downtime, such downtime, shall not be creditable as prescribed in Section G506, Contract Administration Data, clause entitled "Invoice Preparation".

#### 8.0 Contractor Alterations

Contractor-proposed alterations to equipment shall be made only with the consent of the COR. Appropriate modification of the contract shall be negotiated for each such alteration which either enhances the value of the system to the Government or decreases the overall maintenance cost. The Government shall provide time to install the approved alterations within a reasonable time after being notified by the Contractor that the alteration is ready to be made.

#### 9.0 Subcontracting

It is the intention of the Government that the Contractor selected for maintenance of equipment included in this contract, or equipment subsequently added to the contract, shall maintain this equipment. Hence, any subcontracting to be done shall be

very specifically identified in the proposal as to whom the subcontractor is and exactly what equipment the subcontractor is to maintain. All information required of the Contractor at submission of the proposal is also required of any subcontractor. All the restrictions and requirements enumerated in the resulting contract shall be applicable to both the Contractor and the subcontractor(s). The Contractor may not engage in any subcontracting of maintenance services under this contract, not identified in his proposal, without the express prior written consent of the Contracting Officer.

#### 10.0 Contractor Point of Contact

The Contractor shall provide the COR with a telephone number for a point of contact to be the Government's designated point of contact for requesting maintenance service according to the terms of this contract. The Contractor shall provide continuous telephone coverage to permit the Government to make such contact 24-hours per day, seven days per week.

#### 11.0 Response Time

This time is calculated from the time that the Government makes a bona fide attempt to notify the Contractor. If maintenance personnel fail to arrive at the installation within the designated response time, the Government reserves the right to require the Contractor to contact the OEM, or another qualified source for maintenance services. In the event it is necessary to call in a third party, the Contractor shall be responsible for the charges incurred.

During Principal Period of Maintenance (PPM) - The Contractor's maintenance personnel, as requested by the Government, shall arrive at the site within two (2) hours from notification. (See Section G506(h)(2), Contract Administration Data, clause entitled "Invoice Preparation")

#### 12.0 Equipment Downtime

Equipment downtime is that period of time when a machine is inoperative and no scheduled workload can be accomplished due to the malfunction of the machine or the machine is inoperative and no scheduled workload can be accomplished because the system is released to the Contractor for remedial service. The period of equipment downtime shall commence after a failure has occurred and the Government has made a bona fide attempt to contact the Contractor at the designated contact point. Should the Contractor not return the equipment to the Government in operable condition within twelve (12) hours after the commencement of the



equipment downtime, the Government reserves the right to require the Contractor to obtain maintenance services or assistance from the OEM, or other qualified source as determined by the Government, at the Contractor's expense.

### 13.0 Regular (On-Call) Maintenance Service

The Contractor shall provide on-call maintenance, service, to include preventive maintenance, for the equipment included in this contract in accordance with manufacturer's specifications, twenty-four hours per day, with a 2-hour response time. The Principal Period of Maintenance (PPM) may be changed by the Government with fifteen (15) days written notice to the Contractor.

### 14.0 Preventive Maintenance.

The Contractor shall perform preventive (scheduled) maintenance at a time that is mutually acceptable between the Contractor and the Government, consistent with the Government's operating requirements, and based upon the specific needs of the hardware. Within two weeks after award, the Contractor shall provide to the COR a schedule, including for each type and model of hardware, a description of the preventive maintenance service to be performed, its frequency, and its duration. In the event remedial maintenance is required for any hardware and the scheduled preventive maintenance has not been performed, then there shall be no additional charge for remedial maintenance unless preventive maintenance was omitted at the COR's request or the Contractor was denied access to the hardware.

### 15.0 Per-Call (Remedial) Maintenance.

The Contractor shall provide per-call maintenance service upon Government request that maintenance service is required. Per-call coverage shall be at the hourly rate shown in Exhibit C. Contractor shall advise the Contracting Officer, in writing, when 75% of the per-call funding has been expended. This written notification shall also advise whether, in the Contractor's opinion, the remaining funds will be adequate to complete the contract performance period.

### 16.0 Malfunction Reports.

The Contractor shall furnish a signed malfunction incident report to the Government site upon completion of each call for remedial maintenance. The report shall include, as a minimum, the following:

- (1) An identifying control number.
- (2) Date and time notified.
- (3) Date and time of arrival of technicians on site.
- (4) Type and model number of machine(s).
- (5) Serial number of machine(s).
- (6) Description of malfunction.
- (7) Parts replaced and work performed.
- (8) Time spent for repair.
- (9) Date and time machine(s) returned to operational status.

#### 17.0 Effectiveness Level

The Contractor shall maintain all hardware covered by this contract at an effectiveness level of ninety-five (95) percent or more at all times. The effectiveness level of the hardware is computed by multiplying the operational use time by the effectiveness level percentage. For example:

200	Hours Operational Use Time
x	95% Effectiveness Level
190	Hours Minimum Effectiveness Level

Computation of the effectiveness level will be on a monthly basis.

#### 18.0 Calculation of Effectiveness Level.

The following is an example for computing the effectiveness level of hardware with downtime of twelve (12) hours for a given month:

200	hours - Operational Use Time
-12	hours - Downtime
188	hours - Operational Use Time

200 hours of Operational Use Time divided by 188 hours of Operational Use Time and Downtime equals 94 percent effectiveness level.

#### 19.0 Credit for Failure to meet Effectiveness Level.

In the event the Contractor fails to maintain a device so that downtime does exceed five percent (5%) of the operational use time, he shall grant a credit to the Government in accordance with Section G506(h)(1), Contract Administration Data, clause entitled "Invoice Preparation".

#### 20.0 Movement of Equipment

In the event the equipment being maintained under the terms and conditions of this contract is moved to another location, within a 50 mile radius, the terms and conditions of this contract shall continue to apply. If the equipment must be moved outside the area, then the continued applicability of this contract shall be subject to mutual agreement.

a. Charges for Movement of Equipment to a New Site. The Government reserves the right to have the Contractor disassemble, reassemble, and move the equipment to and from the loading platform and the computer room. Additional charges for this movement shall be subject to a separate negotiated agreement.

b. Charges for Movement of Equipment Within a Site. The Government shall be charged for movement of equipment within a site at an hourly rate, as specified in the contract, times the number of hours to complete the move.

c. Shipment to a New Site. Shipment to a new site shall be at the government's expense, by padded van or air freight. The Government may ship the equipment by Government transportation or by commercial carrier, or at its option, provide the Contractor with an authorization to ship by commercial carrier. Should the Government exercise this option, the Government shall be invoiced for transportation, rigging and drayage costs.

d. Costs Associated with Damage Incurred during Movement/Shipment

1. When the movement/shipment of equipment is under the control of the Contractor and damage is incurred which results in costs for either labor or parts to restore equipment to good operating condition at the new location, such costs shall be borne by the Contractor.

2. When the movement/shipment of equipment is under the control of the Government and damage is incurred which results in costs for either labor or parts to restore equipment to good operating condition at the new location, such costs shall be borne by the Government.

## 21.0 Diagnostic Errors

The Contractor shall pay in terms of a credit against this contract for any services and parts billed to the Government for service calls whenever the Contractor incorrectly diagnoses a malfunction.

## 22.0 Original Equipment Manufacturer Certification (OEM)

OEM certification of equipment shall be available upon expiration of contract. The Contractor shall obtain, from the OEM, certification that all equipment meets OEM specifications. The certification by the OEM shall be performed within fourteen (14) days prior to expiration of this contract, and shall be provided to the Government not later than the last day of the contract period.

### 23.0 Replacement Parts/Classified Information

Should parts, capable of retaining information in an off-mode, require replacement, such replaced parts shall be removed on-site and given to the Government-site representative for appropriate degaussing prior to release to the Contractor. The Contractor shall be reimbursed, at his cost, for any parts retained by the Government.

Classified, damaged, or defective head disk assemblies (HDA) will be partially disassembled by the Contractor on-site, to allow degaussing of magnetic media by Government personnel. After degaussing, HDAs will be released to the Contractor.

BRAND NAME OR EQUAL PURCHASE DESCRIPTION

The key to remember in preparing a brand name or equal purchase description is to identify clearly the salient characteristics of the item being acquired. Preferably, these characteristics are stated in terms of a range of performance requirements, so that contractors other than the brand name manufacturer can compete; however, all performance requirements must be stated only in terms of the minimum needs of the Government and should not simply repeat the technical specifications of the brand name product.

Additional guidance on developing brand name or equal purchase descriptions is contained in DFARS 210.004.

BRAND NAME OR EQUAL PURCHASE DESCRIPTION

1. TECHNICAL SPECIFICATIONS: Acquire COMPAQ DESKPRO 386/25 Model 110 (3 ea), brand name or equal, in the following configuration, for installation at HQ Defense Information Systems Agency. Mandatory technical specifications are:

a. All components in this system shall work together and all memory and boards shall be installed.

b. The system shall have:

- 1) a minimum memory of 9 megabytes.
- 2) a 4-Megabyte Memory Module (100ns) expansion 1.
- 3) a 4 Megabyte Memory Module (100ns) expansion 2.
- 4) expendability to 16 megabytes.
- 5) a RAM speed minimum of 100 nano seconds.
- 6) a minimum Clock Speed of 25 mHz.
- 7) a minimum of 110 megabyte hard disk drive.
- 8) a minimum of two floppy disk drives as follows:  
5.25 inch High Density Disk Drive (1.2 MB) and 3.5 inch High Density Disk Drive (1.44 MB).
- 9) a minimum of the following interfaces: parallel and asynchronous communications.
- 10) a face plate with 4 slots minimum.
- 11) a slot for a serial card.
- 12) a slot for a 3COM type ethernet card (16 bit slot).
- 13) a hard disk/floppy disk controller card.
- 14) an enhanced keyboard.
- 15) expansion slots as follows: 1 each 8 bit slots (half-size) or better, 1 each 8 bit slots (full-size) or better, 5 each 16 bit slots or better, and 1 each 32 bit slots or better; however, will accept as preferred a machine that has 10 expansion slots over a machine that has 8 expansion slots. The two

expansion slots shall be at least one 32 bit slot and the second shall be at least a 16 bit slot with 32 bit preferred. (Specific reason, will require a machine with 10 expansion slots in the FY91 time frame and this will enable the LAN to expand without having to buy a new machine.)

16) a math co-processor.

17) operating systems as follows: MS-DOS 3.3 (will not accept version 4) and OS/2 operating system extended (version 1.1).

18) a color monitor (VGA) Epson 14" monitor.

19) a VGA graphics board Paradise VGA Plus).

20) a mouse (the mouse shall be a serial mouse to work with the above system, shall come with a mouse pad to work with the mouse, and shall be provided with an additional software to run the mouse, if required.)

21) certification to run Knowledgeware software.

2. TECHNICAL SPECIFICATIONS: Acquire COMPAQ DESKPRO 286/25 Model 110 (5 ea), brand name or equal, in the following configuration, for installation os HQ Defense Information Systems Agency. Mandatory technical specifications are:

a. All components shall work together and all memory and board shall be installed.

b. The system shall have:

1) a minimum memory of 5 megabytes.

2) 4-Megabyte Memory Module (100ns) expansion 1.

3) expendability to 16 megabytes.

4) a Ram speed minimum of 1-- nano seconds.

5) a minimum Clock Speed of 25 MHz.

6) a minimum of 110 megabytes hard disk drive.

7) a minimum of two floppy disk drives as follows:  
5.25 inch High Density Disk Drive (1.2 MB) and 3.5 inch High Density Disk Drive (1.44 MB).

- 8) a minimum of the following interfaces: parallel and asynchronous communications.
- 9) a face plate with 4 slots minimum.
- 10) a slot for a serial card.
- 11) a slot for a 3COM type ethernet card (16 bit slot).
- 12) a hard disk/floppy disk controller card.
- 13) an enhanced Keyboard.
- 14) expansion slots as follows: a. 1 each 8 bit slots (half-size) or better, 1 each 8 bit slots (full-size) or better, 5 each 16 bit slots or better, 1 each 32 bit slots or better; however, will accept as preferred a machine that has 10 expansion slots over a machine that has 8 expansion slots. The two expansion slots must be at least one 32 bit slot and the second must be at least a 16 bit slot with 32 bit preferred. (Specific reason, will require a machine with 10 expansion slots in the FY91 time frame and this will enable LAN to expand without having to buy a new machine.)
- 15) a math co-processor.
- 16) operating systems as follows: MS-DOS 3.3 (will not accept version 4 and OS/2 operating system extended (version 1.1)).
- 17) a color monitor (VGA) EPSON-425 14in monitor.
- 18) a VGA graphics board (Paradise VGA PLUS).
- 19) a mouse (the mouse shall be a serial mouse to work with the above system, shall come with a mouse pad to work with the mouse, and shall be provided with any additional software to run the mouse, if required.)
- 20) certification to run Knowledgeware software.



## Brand Name or Equal Purchase Description

1. TECHNICAL SPECIFICATIONS: Acquire IBM 3174-11L Establishment Controller, four IBM 3174-11R Establishment Controllers, one IBM 3299-002 Terminal Multiplexer and one IBM Asynchronous Emulation Adapter Model 3020, brand name or equal, for the Defense Network Systems Organization, located at Headquarters DISA, 701 S. Courthouse Road, Arlington, Virginia, 22204-2199.

Mandatory technical specifications are:

a. 3174 Communications Controller:

(1) Shall provide support for up to 32 coax devices directly, via multiplexers or by using a combination of direct multiplexed connections.

(2) Remote establishment controller shall provide support for 3270 coaxial type connections with bi-synchronous communications (BSC), SNA/SDLC, or SNA/X.25.

(3) Shall allow for capability to provide Asynchronous Communications Support (ACS) up to 24 ASCII devices or hosts with the following asynchronous communications:

- 3270 emulation for ASCII devices
- ASCII emulation for 3270 devices
- ASCII device to ASCII host pass-through

(4) Shall provide support for the attachment of the IBM 3179G, IBM3279-3, and IBM 3278-2 terminals.

(5) Shall have capability which allows attachment of devices from a wide variety of vendors.

(6) Shall provide for simplified system operation and management:

- Allow operators to customize the system online
- Allow operators at central sites to modify configurations for remote sites.
- Allow users to identify system problems from a remote site.

(7) Shall provide dynamic multiplexing:

- Allow users to correct any configuration of multiplexers to any port on the control unit.

(8) Local establishment controller shall provide IBM System/370 channel interface for SNA AND non-SNA attachment.

(9) Remote establishment controller shall provide EIA 232D/CCITT V.24/V.28 and CCITT V.35 interface for SNA/SCLC, BSC or C.25 remote link attachment. SNA and non-SNA attachment.

b. 1048 Second Diskette Drive: Shall provide either 1.2Mb additional diskette storage via a second diskette drive for high capacity diskettes.

c. Asynchronous Emulation Adapter:

(1) Shall support ASCII Terminal Emulation (3270 display scan emulate a 3101 or DEC Video display and 3270 printer scan emulate an ASCII printer for connection to ASCII hosts or public data networks).

(2) Shall support 3270 Terminal Emulation (ASCII display can emulate a 3178 Model C2 or 3279 Model 2A (4-color display) and ASCII printers can emulate a 3287 Model 2 for connection to an IBM host).

(3) Shall support ASCII Pass-Through (ASCII displays and printers can connect to ASCII hosts and public data networks through the adapter).

d. Terminal Multiplexer: Shall provide the ability to connect 8 coax devices to an establishment controller with attachment accomplished with one coaxial or twisted-pair cable.

## EXHIBIT 7C

## CONTRACT TYPES

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## CHAPTER 7

## CONTRACT TYPES

## 1. TYPES OF CONTRACTS

Basically there are two types of contracts; fixed-price and cost reimbursement.

- a. Under a fixed-price contract the contractor must deliver the product or perform the service for the firm fixed price or ceiling established in the contract or be subjected to penalties. There are various types of fixed price contracts, however, only a few are applicable to Defense Information Systems Agency (DISA) acquisitions; Firm-Fixed Price and Fixed-Price Level of Effort Term. The following are additional variations of fixed price contracts used in Government contracting, but in most cases, due to the nature of business conducted, are not conducive to DISA acquisitions: Fixed-Price Incentive (Firm Target) FPI-F), Fixed-Price Incentive (Successive Targets)(FPI-S), Fixed-Price W/Economic Price Adjustment, Fixed-Ceiling-Price with Retroactive Price Redetermination, Fixed-Ceiling-Price with Retroactive Price Redetermination.
- b. Under a cost-reimbursement contract, the contractor agrees to expend his best efforts to achieve the specified requirement, within the estimated amount established in the contract. If the contract is not fully performed at the time the contractor expends the funds, he has no obligation for further performance, unless the contract is modified to increase the funds. Cost reimbursement contracts include; Cost-Plus-Fixed-Fee, Cost-Plus-Award-Fee, Cost, and Cost Sharing.
- c. Detailed information on each contract type, agreements and purchase/delivery orders used at DISA is provided on pages 7C-7 through 7C-38.

## 2. RESPONSIBILITY FOR SELECTING THE TYPE OF CONTRACT

The Contracting Officer is responsible for selecting the appropriate contract type. Technical personnel are encouraged to recommend a contract type because they are more familiar with their requirement and can determine the degree of uncertainties in the statement of work. The contract type should give the contractor an incentive to perform efficiently.

### 3. THE SELECTION OF CONTRACT TYPE

The contractor may be given an opportunity in negotiated procurement to propose a different type of contract than set forth in the solicitation as the type(s) contemplated by the Government. The contract type then becomes a factor for negotiation.

### 4. HOW THE STATEMENT OF WORK INFLUENCES THE CONTRACT TYPE

By the degree of risk associated with contract performance. Can the job be done? - Can one estimate the manhours and type of labor required for performance with any degree of assurance? When there is little or no risk or the degree of risk can be predicted with an acceptable degree of certainty, a firm fixed price contract is preferred. However, when uncertainties are significant, other types of fixed price or cost type contracts must be considered. To award a fixed price contract when the effort has uncertainties may result in a higher price - built in protection for the contractor.

### 5. FACTORS THAT MUST BE CONSIDERED IN RECOMMENDING THE TYPE OF CONTRACT

- a. TYPE AND COMPLEXITY OF THE REQUIREMENT: Requirements that are complex and unique to the Government, with and the likelihood of changes in technical direction and performance uncertainties, normally place greater risk assumptions on the Government.
- b. URGENCY OF THE REQUIREMENT: If urgent, the Government may have to assume a greater proportion of risk or it may offer incentives to ensure timely contract performance.
- c. PERIOD OF PERFORMANCE: Contracts extending over a relatively long period may require economic price adjustment terms.

- d. **PRICE COMPETITION:** Normally, effective price competition results in realistic pricing. Specification/Purchase Description must be clear and concise.
  - e. **MARKET CONDITIONS:** Stability over performance period.
  - f. **PERFORMANCE/COST INCENTIVES:** Incentives may be considered when realistic, measurable targets can be set out in the statement of work and project performance can be identified. The use of incentive arrangements must consider whether or not a cost incentive or a combination of performance and cost incentive is applicable. The weighting factors must be made a part of your evaluation criteria, to be set forth in the contract for application to the performance, delivery, and cost objectives.
    - (1) Performance incentives should be considered when the Government desires improvements in product performance and generally performance tests are set out to determine the degree of performance targets.
    - (2) Cost incentives (used to motivate the contractor to effectively manage cost) should not be considered when it is expected that there will be a large number of major technical changes in the project, it could end up being very costly for the Government.
- \*\*\* **CAUTION:** Performance incentives are used to increase efficiency of contractor performance. Government technical personnel must monitor contractor performance and make timely decisions on technical matters. Work cannot proceed without technical direction; failure to receive that direction may cause a reduction in the contractor's fee or the degrading of performance. Therefore, in most cases the contractor has no alternative but to submit a claim. Loss of time is loss of money to the contractor and in the meantime project performance is at stake.
6. **LETTER OF INTENT:** A letter of intent does not exist in Government contracting.

**7. LETTER CONTRACT AND WHEN IT SHOULD BE USED**

- a. A letter contract is a written preliminary contractual instrument that authorizes the contractor to begin work immediately.
- b. A letter contract should be used only when urgency requires immediate binding agreement so work can begin but time does not permit negotiation of a definitive contract.

**8. THE INHERENT RISKS OF FIXED PRICE CONTRACTS**

Because contractors bear the risks involved in fixed-price contracting, they are particularly vulnerable to any actions by the Government that threaten contract performance or contract completion "within costs". Contractors must constantly monitor actions taken not only by the Contracting Officer, but also by Government technical personnel such as the Contracting Officer's Representative (COR) that could result in such added risks. Government actions which frequently delay fixed-price contract performance and add unexpected costs are summarized as follows:

**a. INADEQUATE DEVELOPMENT OF TRUE GOVERNMENT REQUIREMENTS-**

During solicitation preparation, adequate thought, planning and analysis are sometimes lacking. This can lead to ambiguous solicitation specifications, imprecise contractor technical proposals and unrealistic price proposals.

**b. VAGUE CONTRACT SPECIFICATIONS-**

If inadequate solicitation specifications are not refined through contractor and Government interaction during the selection process, these same imprecise requirements will be reflected in the resulting contract. If this occurs, neither the government nor the successful bidder/offeror are certain of performance requirements under the contract. This leads to a process of defining the contractual requirements as performance progresses -- a process that is completely ill-suited for fixed-price contracting.

**c. EXCESSIVE GOVERNMENT TESTING-**

Overly detailed or frequent testing and acceptance procedures instituted by Government personnel can greatly increase costs and delay contract performance and completion. Such unanticipated testing procedures and costs can result from ambiguous performance specifications or from imprecise or completely omitted acceptance test procedures (ATP).

d. ACCELERATED DELIVERY REQUIREMENTS-

Government personnel may demand delivery prior to that required by the contract. This can lead to increased costs due to excessive overtime and other premiums paid to facilitate such accelerated performance. If the contract delivery schedule contains stated performance milestones, such demands by the Government can be approached as "changes" for which the contractor assumed no risk.

e. INCREASED PERFORMANCE REQUIREMENTS-

The COR or other personnel overseeing the project for the Government may request "slight" adjustments in performance. Although there is a very strong desire for the contractor to accommodate such minor requests in order to promote goodwill, these minor changes can add up quickly to substantial cost and time delays.



FIRM-FIXED-PRICE (FFP)

CHARACTERISTICS

Requires delivery of a product or services at a specified price, fixed at the time of contract award and not subject to any adjustment.

APPROPRIATE FOR USE WHEN

Fair and reasonable prices can be established at the time of award.

Definite design or performance specifications are available.

More than one contractor is experienced (adequate competition).

Products are "off-the-shelf" or modified commercial products for which sound prices can be developed.

Standard commercial type services.

Any performance uncertainties can be identified and reasonable cost estimated.

Contractor agrees.

**ADVANTAGES:** Encourages contractor efficiency and economy. Places 100% responsibility and risk on the contractor.

**DISADVANTAGES:** Lacks flexibility in pricing and performance.

**REMARKS:** Most preferred type of contract.

Requires minimum administration.

Funds are obligated at time of award for the total amount.

## FIRM-FIXED-PRICE LEVEL OF EFFORT TERM (FP/LOET)

APPROPRIATE FOR USE WHENCHARACTERISTICS

Negotiated at time of award; and

Work cannot be clearly defined.

Specific number of manhours for a stated period of time, and a fixed price.

The level of effort desired can be identified, and agreed upon at time of award.

Requires expenditure of a specific number of labor hours during a stated period of time.

Useful in research and exploratory development.

Describes the scope of work in general terms (usually investigation or study).

Contractor normally required to submit reports which show the results achieved with the level of effort.

Payment is based on effort expended, not on results.

**ADVANTAGES:** Under Fixed-Price the contractor must perform without increase in price and level of effort. Can be used in situations in which a cost reimbursement contract; e.g., cost-plus-fixed-fee, might otherwise be necessary.

**DISADVANTAGES:** No guarantee that desired results will be achieved.

**LIMITATIONS:** Can be used only when the work to be performed cannot be clearly defined.

Level of effort desired must be identified with reasonable assurance that the results desired cannot be achieved by less manhours.

**REMARKS:**

Heavy technical administration burden to assure that contractor makes best possible effort to achieve desired results within specified level of effort.

Funds obligated at time of award for a fixed price including profit.

## FIXED PRICE INCENTIVE (FPI)

CHARACTERISTICS

Provides incentive for efficiency and economy in performance by:

High profit for outstanding performance, and,

Modest profit for mediocre performance, and;

Low profit or loss for below average performance

Price ceiling, target cost, target profit, and formula for adjusting profit at time of award.

APPROPRIATE FOR USE WHEN

A firm-fixed-price is not suitable,

There is a possibility of cost reduction, and;

Incentives will likely result in a savings and better performance.

Achievable incentives must be identified, and criteria established for evaluation of performance to determine if incentives are met. These incentives must be objective.

ADVANTAGES: Causes contractor efficiency and economy.

Profit is directly related to contractor performance.

DISADVANTAGES: Difficult to evaluate performance.

LIMITATIONS: Must determine (1) to be least costly contract type and (2) that any other type is impractical.

REMARKS: Performance and delivery incentive provisions may be added to cost incentive.

Billing price, flexible within ceiling limits, is established at time of award as interim basis for payment.

Final price is negotiated.

Funds are obligated for the target price.

## COST

CHARACTERISTICS

Negotiated at time of award.

Estimated cost ceiling for purpose of fund obligation, and limitation of costs that will be reimbursed.

Provides for payment of costs only, no fee.

APPROPRIATE FOR USE WHEN

Fixed Price contract is not possible because of magnitude of performance uncertainties.

When contractor wants production experience or to keep operational.

Estimated value of \$100,000 or more.

Normally R&D work with a nonprofit educational institution or other nonprofit organizations and for facilities contracts.

**ADVANTAGES:** Economical if contractor is efficient and conscientious in performance.

**DISADVANTAGES:** Heavy administration burden - surveillance by technical personnel to assure against contractor inefficiency or waste.

Little, if any, incentive for contractor to reduce costs.

**LIMITATIONS:** Ceiling amount may not be exceeded without Contracting Officer approval

Government pays only incurred costs.

Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

**REMARKS:** Contractor may consider surveillance by technical personnel a bother.

Funds are obligated at time of award for the estimated cost.

## COST SHARING

CHARACTERISTICS

Negotiated at time of award.

Estimated cost ceiling for purpose of fund obligation, and limitation of costs that will be reimbursed.

Provides for sharing cost in lieu of full reimbursement of cost.

Provides for payment of costs only - no (fee)

Share agreement reached prior to award.

APPROPRIATE FOR USE WHEN

Only when there is a high probability that the contractor will realize substantial commercial benefits, or;

R&D work with educational institutions or foreign governments.

**ADVANTAGES:** Mutual benefit to contractor and Government.

**DISADVANTAGES:** Little, if any, incentive to reduce costs, but more than in a cost contract.

Heavy administration burden - surveillance by technical personnel to assure against contractor inefficiency or waste.

**LIMITATIONS:** Ceiling amount on cost must be established at time of award.

Cannot use as a factor in competitive source selection.

Cannot use to obtain unfunded effort solely in support of programs of interest to us.

Contractor must show conclusive evidence of anticipated commercial benefits.

Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

**REMARKS:** R&D development or research projects, jointly sponsored by the Government and a contractor with commercial benefits to the contractor.

Funds are obligated at time of award for estimated costs (no fee).

**COST-PLUS-FIXED-FEE (CPFF)**

**CHARACTERISTICS**

Negotiated at time of award: Estimated cost and fixed fee

Costs are reimbursed up to the estimated cost (limited), and specified fee paid.

Fee is not changed unless there is a change in work performed.

**APPROPRIATE FOR USE WHEN**

Use of any fixed price contract is inappropriate, and it is agreed by the Government and contractor.

Level of effort is justified because of high technical and cost uncertainty.

Use of a cost-plus-incentive-fee is impractical for development and test projects

**TWO FORMS:**

**COMPLETION FORM:** Scope of work must have a definite goal or target, and an end product to be delivered.

**TERM FORM:** Scope of work is in general terms and obligates the contractor to deliver a specified number of hours (level of effort) for a specified period. No end product is required to be delivered.

**ADVANTAGES:**

May proceed with general scope and indefinite specifications.

**DISADVANTAGES:**

Minimum incentive to contractor for cost control.

Heavy administrative burden on both contracting and technical personnel.

Fee, without risk, for contractor - reduces contractor responsibility to control costs.

**LIMITATIONS:**

Determination that no other type of contract will serve.

Statutory limit on fee (15% R&D, 10% other).



Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

**REMARKS:**

Research, preliminary exploration or studies to determine feasibility of development, and level of effort required is unknown.

Development and test when use of a cost-plus-incentive-fee is impractical.

Completion form requires contractor to complete and deliver end product before payment of entire fixed fee can be made.

Renewals for further performance under the term form is considered a new procurement and involves new fee and cost arrangements.

The completion form is preferred over the term form.

Funds are obligated at time of award for the estimated cost and fixed-fee.

## DISA Specific Example

- Contract Number: DCA100-93-C-0037 --- UNISYS Corporation
- Description of Acquisition-

Data Communications Protocols- Technical Support in the areas of DISA Protocol Laboratory maintenance and for DISA's high level protocol certification testing for the Defense Communications Engineering Center (DCEC). Objective of this effort is to obtain technical assistance in the area of: (1) life cycle support for the operational DISA Protocol Laboratory, and (2) support for DISA's drive toward an industry initiative for DCS system and subsystem certification testing (the National Voluntary Laboratory Accreditation Program (NVLAP)).

- Type of Contract: Cost Plus Fixed Fee (Completion)
- Reasons for Selection-
  - Type and complexity of the requirement-

This Statement of Work (SOW) is definitive enough to allow for a goal or target and an end product (deliverable) but it lacks specificity required for a Firm Fixed Price contract. In addition, the SOW indicates some degree of uniqueness with a great possibility of change in technical direction and performance uncertainties. With these uncertainties, changes in contract administration are prevalent. A CPFF completion type of contract allows maximum opportunity for changes in contract administration by giving more flexibility in directing the contractor in the broad scope of the acquisition. As stated in FAR 16.306 (d)(1), "the CPFF completion form of contract requires the contractor to complete and deliver the specified end product (e.g., a final report of research accomplishing the goal or target) within the estimated cost, if possible, as a condition for payment of the entire fixed fee. However, in the event the work cannot be completed within the estimated cost, the Government may require effort without increase in fee, provided the Government increases the estimated cost".

Any type of contract used for this acquisition, other than a CPFF, would be placing more risk on the contractor, while creating a higher probability that the price of the acquisition would be greater. In addition, there is little assurance that the Government would receive a quality product. Reminder: Risk is the driving force for the selection of the type of contract and the amount of fee or profit awarded. Other types of cost

reimbursement contracts were considered for this acquisition but were deemed inappropriate for the following reasons:

CPIF types of contracts are more appropriate for development and test programs. This acquisition is for technical assistance and support system certification testing which would not be applicable to an incentive contract because the uncertainties involved would make it very difficult to identify or establish incentive criteria for performance, delivery and cost.

A CPAF type of contract was not selected because the SOW is susceptible to a great deal of change and uncertainty. This would create an administrative nightmare since the award fee criteria would have to be changed frequently. In addition, the cost involved in administering the contract could far outweigh the value received by the Government.

- Type of dollars: R&D
- Period of performance: Twelve months- 3 March 93 - 2 March 94.
- Urgency of the requirement - N/A
- Price competition: Competitive
- Performance/Cost incentives:

Due to the uncertainties and possible changes in technical direction under this acquisition, a cost plus award fee contract would not be conducive because of the difficulty in establishing award fee criteria for evaluation. The SOW lacks areas that could be adequately incentivized.

- Administrative Structure:

The SOW consists of three tasks, each requiring deliverables. These deliverables range from Monthly Status Reports and In Progress Review Reports under Task 1, and Program Maintenance Manuals and Programmer's/User's Manuals under Task 2, to Data Base Functional Specifications and Computer Workstation hardware under Task 3.

The COR should be primarily responsible and concerned about monitoring the dollars expended, the status of the progress, and the quality of the work the contractor, is performing. The Monthly Status Report and In Progress Review Report should provide the needed information to accomplish the first two aforementioned areas. The overall quality of each deliverable

should be monitored by the evaluation of the draft deliverables. Documentation of deliverable evaluation is accomplished on DISA Form 245. See the Contract Administration Guide for more information regarding the administration of this type of contract.

**COST-PLUS-INCENTIVE-FEE (CPIF)**

**CHARACTERISTICS**

**APPROPRIATE FOR USE WHEN**

Negotiated at time of award:

Fixed price incentive is not possible because of technical and cost uncertainties.

Target cost, target fee, minimum and maximum fee, and fee adjustment formula.

Performance objectives are known.

Delivery, performance or cost incentives - individually or a combination of both.

Confidence in achieving objectives is high.

Upon completion:

Formula can be negotiated that will provide for performance incentives.

Formula applies, subject to the minimum and maximum fee limits.

Development and test programs.

Fee is adjusted - increased from target for cost underrun and decreased for cost overrun.

**ADVANTAGES:**

Encourages economical, efficient and effective performance when cost reimbursement type of contract is necessary.

**DISADVANTAGES:**

Heavy burden on both contracting and technical personnel to administer.

Overall weight factors must be identified and applied to performance, delivery and cost objective.

No incentive for contractor to reduce costs.

**LIMITATIONS:**

Maximum fee imposed by regulation (15% R&D, 10% other).

Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

**REMARKS:**

Minimum fee for reasonably foreseeable variation above target costs; (minimum fee may be zero) maximum fee at lowest reasonably foreseeable cost.

Probable cost underrun usually 10% or more, and overrun of 20% or more.

Probability of large cost variance does not dictate use of this contract type in lieu of a fixed-price-incentive.

Funds are obligated at time of award for the total estimated cost, but not in excess of the maximum current liability shown, including the target fee (after contract performance the fee payable to the contractor is determined by the fee adjustment formula).

## COST-PLUS-AWARD-FEE (CPAF)

<u>CHARACTERISTICS</u>	<u>APPROPRIATE FOR USE WHEN</u>
Combines characteristics of CPFF and CPIF contracts:	Another type of contract cannot be used because performance objectives cannot be expressed by definite milestones, targets, or goals to measure contractor performance.
Estimated total cost - Costs are reimbursed.	
Minimum Fee and bonus or reward.	
Scope of work.	Level of effort is known, mission feasibility is established but measurement of achievement must be subjective rather than objective.
Criteria against which the contractor's performance will be measured, and;	
Specific times for evaluation of performance by the Government (usually quarterly) to determine meritorious work or, if any deficiencies.	

## ADVANTAGES:

More incentive for contractor efficiency and economy than a cost-plus-fixed-fee where use of a cost-plus-incentive-fee is not feasible.

## DISADVANTAGES:

Heavy administration burden - evaluation of performance requires greater effort than either the CPFF or CPIF types of contracts.

Criteria for evaluating contractor performance, coupled with achievable performance ranges must be included in the contract. Other criteria, key performance elements are included for evaluation for award fee.

## LIMITATIONS:

Maximum fee limitations imposed by regulations - 3% base, maximum fee (base fee plus award fee) 15% R&D and 10% other.

Shall not use:

To avoid cost-plus-fixed-fee (CPFF) when the criteria for a CPFF contract applies,

To avoid the effort of establishing objective targets so a cost-plus-incentive fee contract can be used,

For procurement of engineering development or operational systems development which have undergone contract definition. (Once the development has been completed and the requirement defined, then a Firm Fixed Price contract would be more appropriate.)

Should not use when the contract amount, period of performance or the benefits expected are insufficient to offset the additional administrative effort or cost.

Government surveillance during performance will provide reasonable assurance that efficient methods and effective cost controls are used.

REMARKS:

A Fee Determination Official (FDO) should be designated, who will create an Award Fee Evaluation Board (AFEB) responsible for evaluation of the contractor's performance. The FDO will review the recommendation of the AFEB to determine the amount of award fee to be paid for performance during specified periods. This informs the contractor of his performance and the areas in which improvement is expected. The contractor has no recourse to the Government fee determination under the Disputes Clause, FAR 52.233-1.

Performance is affected by inefficient Government administration action.

Timeliness of periodic evaluation reports is critical to proper administration.

The statement of work should indicate precisely what results the Government expects.

A combination of CPIF and CPAF provides for maximum effort on the part of the contractor to effectively manage all aspects of the contract.

Funds are obligated at time of award for the estimated cost, base fee, and the total amount of award fee available. The



amount of the award fee that is actually paid is determined by the Government's evaluation of the contractor's performance in terms of criteria stated in the contract. This determination is made unilaterally by the Government and is not subject to the Disputes Clause.

## DISA Specific Example

- Contract Number: DCA100-93-C-0067

- Description of Acquisition-

GCOS 8 Development Support include the following: system analysis and design to the level of detail necessary to ensure that defined system requirements will meet the specified operational performance capabilities and technically attainable within the required time period; provision of quality assurance and maintenance support of WWMCCS Standard Systems through tests, analysis, and documentation to ensure that applications perform as designated on the current WWMCCS system software release development and documentation of computer program product specifications that will identify the specified product as computer program configuration items.

- Type of contract - Cost Plus Award Fee

- Reasons of selection-

- Type and complexity of the requirement-

The Statement of Work (SOW) depicts an update to an existing communication system which entails the contractor to provide system analysis and design necessary to ensure that defined system requirements will meet the specified operational performance capabilities. In addition, the contractor will be required to provide contractor furnished property acquired under a parallel effort funded by the contractor.

This (SOW) lends itself to specific criteria against which the contractor's performance may be measured. Therefore, performance may be incentivized by establishing subjective criteria for contractor efficiency and economy.

A cost plus award fee type of contract was selected because the Government needed more efficient and effective cost control methods than could be attained under a Cost Plus Fixed Fee Contract.

A cost plus incentive fee contract was not selected because its use is primarily for development and test purposes. The CPIF contract should be used in conjunction with performance incentives in the development of major systems, and in other development programs.

- Type of dollars: O&M

- Period of performance: 3 June 93 - 30 April 95
- Urgency of the requirement: N/A
- Price competition: Competitive
- Performance/Cost Incentives:

In order to ensure more efficient and effective cost control measures the Government selected a cost plus award fee contract for this acquisition. Therefore, performance criteria in the areas of timeliness, quality and effectiveness in controlling and/or reducing costs were established.

## LETTER CONTRACT

### CHARACTERISTICS

A legal, preliminary, negotiated contract which authorizes contractor to start work pending negotiation of a definitized contract, which may be any type, or combination of types.

#### Provides for:

Maximum liability of the Government, (amount estimated to be necessary to cover performance until definitized),

The type of contract anticipated to be negotiated, and

Contractor's obligation to provide reasonable cost data on request.

### APPROPRIATE FOR USE WHEN

Emergencies only - in the interest of National Defense an immediate binding agreement is required so performance can start.

### ADVANTAGES:

Expedites the procurement process, contractor begins performance on urgent requirements prior to completion of procedural requirements.

### DISADVANTAGES:

No incentive for cost control by the contractor.

Government is in a very weak bargaining position at the time the contract is definitized (put into required format (price/cost and all required provisions and signed by both parties)).

### LIMITATIONS:

A letter contract may be used only after the head of the contracting activity or a designee determines in writing that no other contract is suitable. Letter contracts shall not -

- Commit the Government to a definitive contract in excess of the funds available at the time the letter contract is executed;

- Be entered into without competition when competition is required by FAR Part 6; or

- Be amended to satisfy a new requirement unless that requirement is inseparable from the existing letter contract. Any such amendment is subject to the same requirements and limitations as a new letter contract.

- Definitization Schedule - Undefined Contract Actions (UCA) shall contain definitization schedules which provide for definitization of the contract action by the earlier of--

- the end of the 180-day period beginning on the date of issuance of the action (this period may be extended, as required, but may not exceed the 180-day period beginning on the date the contractor submits a qualifying proposal); or

- the date on which the amount of funds expended under the contract action is equal to more than 50 percent of the not-to-exceed price.

REMARKS:

Never a good idea, can easily result in the Government paying more for less, or ending up in a dispute which is a manpower intensive procedure for both contracting and technical personnel.

Use only when all else fails, and mission accomplishment is in jeopardy.

Funds may be obligated when the letter contract is issued by a stated dollar amount, which is the governments maximum liability (should not exceed 50% of the estimated cost of the definitized contract).

TIME AND MATERIALS (T&M)  
LABOR HOUR (LH)

CHARACTERISTICS

Provides for payment of:

Direct labor hours at  
specified fixed hourly  
rates, and material at  
cost.

Requires a price ceiling  
which contractor may not  
exceed except at own risk.

LABOR HOUR (variant) may provide  
for payment of labor hours only.

ADVANTAGES:

Can fulfill a special need that no other contract type can  
serve.

DISADVANTAGES:

Heavy burden on technical personnel to perform surveillance  
to preclude inefficiency or waste.

No positive profit incentive for contractor to control  
costs.

LIMITATIONS:

Determination that no other contract type will serve.

REMARKS/EXAMPLES:

Engineering and design services or repair, maintenance or  
overhaul, or work under emergency conditions. The contract  
may be structured like an Indefinite Quantities type  
contract and funds may be obligated by issuance of task  
order(s) or delivery order(s) under the contract.

APPROPRIATE FOR USE WHEN

Not possible at time of  
award to estimate costs  
with any degree of  
confidence.

Nature of work is known at  
time of award but not the  
extent, or duration.

REQUIREMENTS

CHARACTERISTICS

APPROPRIATE FOR USE WHEN

Provides for:

Purchase of all actual needs of specific supplies or services at fixed-price(s), during a specific period of time.

Estimated total quantity,

Maximum limit of contractor's obligation to deliver, and

Limits Government's obligation to order, where feasible.

Precise quantity of commercial or commercial-type items are not known but it is a known recurring need.

Delivery orders issued to schedule deliveries.

ADVANTAGES:

Order at fixed price(s) only when need arises.  
Flexible regarding quantity and delivery scheduling.

Price savings possible by combining several requirements into one action. Faster delivery.

DISADVANTAGES:

Savings may be off-set by contractor building in an "uncertainty" compensation factor in price.

LIMITATIONS:

None

REMARKS:

Funds obligated on delivery orders.

Minimum and maximum may be stated in the contract.

Fixed price, or Cost Reimbursement type arrangements can be used.

## DISA Specific Example

- Contract Number: DCA100-93-C-0086
- Contractor: Honeywell, Inc., Signal Analysis Center
- Description of Acquisition --

TEMPEST Testing of Automatic Data Processing (ADP) Equipment--The contractor shall conduct primarily on-site TEMPEST testing in accordance with the guidelines of NACISM 5100A. Some laboratory testing may also be ordered. The objective of the testing is to determine if TEMPEST profiles of the items tested are compliant with the National Policy, DOD 5200.19 and NCSC 4; with further guidance provided by NACISM 5100A, NACSEM 5204, and NACSEM 5110, on the control of compromising emanations. The sites to be tested are sites associated with the mission of the Defense Information Systems Agency, located within a hundred mile radius of the Pentagon. See paragraph 4.3 and the Annex C for more specific information regarding the testing site locations.

- Type of Contract: Labor Hour/Requirements Type Contract
- Reason for Selection-
  - Type and complexity of the requirement-

The Statement of Work (SOW) is unique in the fact that the quantities of supplies or services specified in the schedule are estimates only and are not purchased by the contract document alone. Instead, all supplies and services to be furnished under this contract shall be ordered by the issuance of delivery orders. The hourly rates and local travel rates were negotiated and a ceiling assigned to the total estimated hours.

Based on the above, it is apparent that DSSO needed a contractual vehicle to provide the necessary test support at the specific locations, on a periodic basis. The Labor Hour/Requirements type contract is tailor-made to offer the needed flexibility to provide the specific support during a specified contract period, by placing delivery orders with the contractor. Funds are obligated by the issuance of each delivery order. No other contract type would be adequate for this particular type of acquisition because of the uncertainties involving the unscheduled testing support at specific locations.

- Type of dollars: R&D
- Period of performance: 13 July 93 through 12 July 94



- Urgency of the requirement: N/A
- Price competition: Competitive
- Performance/Cost incentives:

The SOW lacks areas that could be adequately incentivized.

•• Administrative Structure:

The SOW involves TEMPEST testing of computer systems, equipment and facilities at specified sites on a periodic basis to ensure compliance with the National Policy on the control of compromising emanations. Upon completion of testing of each site a letter style TEMPEST report will be furnished by the contractor to the COR. This will provide the COR verification that the equipment has been tested as well as details on deficiencies that occur, causes of deficiencies and recommendations of remedial modifications.

Based on the above, the COR should be able to monitor the progress of testing as well as the quality and extensiveness of the testing provided.

DEFINITE-QUANTITY

CHARACTERISTICS

Provides for:

Definite quantity of supplies or services at fixed prices within stated limits during a definite period.

Minimum and maximum quantities for individual orders.

Delivery orders issues for specific quantities

Funds obligated for total contract amount.

APPROPRIATE FOR USE WHEN

Quantity needs of commercial or common used, recurring need items are known but time of need is not.

Items are readily available or requires only short delivery time.

ADVANTAGES:

Saves administrative and negotiation time in awards.

LIMITATIONS:

None

REMARKS:

Contract may provide for firm-fixed-price, fixed-price with economic price adjustment or prospective redetermination of prices.

Funds obligated for total contract amount - We have bought the quantity specified even if we never issue a delivery order.

INDEFINITE-QUANTITY

CHARACTERISTICS

Provides for:

Purchase of an indefinite quantity, of supplies or services, at fixed prices, during a definite period of time,

Estimated quantity,

Maximum limit of contractor's obligation to deliver, and

Limit on Government's obligation.

Delivery orders issued to schedule deliveries.

Funds obligated on delivery orders.

ADVANTAGES:

Quick delivery.

DISADVANTAGES:

Possibility of contractor compensating for uncertainty in price.

EXAMPLES:

Expendable supplies

Firm-fixed-price, fixed-price, or redetermination type contract can be used.

Funds obligated for stated minimum quantity at time of award.

Funds beyond minimum quantity are obligated by issuance of a delivery order.

APPROPRIATE FOR USE WHEN

Precise quantity of commercial or modified commercial (generally) items of supplies or services, during a definite period, are not known, but a definite need is.

Recurring need.

BASIC ORDERING AGREEMENT (BOA)

CHARACTERISTICS

Not a contract - an agreement that provides:

Terms and conditions that will apply to future contracts (orders) during a specific period of time,

Description of supplies or services (as specific as practicable),

Method(s) for pricing, issuing of orders,

Delivery terms,

Specific point that an order will become a contract.

APPROPRIATE FOR USE WHEN

With negotiated firm-fixed-price or cost-reimbursement contracts.

ADVANTAGES:

Saves time in negotiation.

Possible to use Agreements issued by other contracting activities.

DISADVANTAGES:

Terms and provisions of an agreement may be changed only by modification of the agreement and not by a contract incorporating the agreement.

LIMITATIONS:

Cannot be used for obligation of funds.

Does not imply agreement to place future contracts.

Shall not be used to avoid competition.

REMARKS:

Possible to save time - but does not delete requirement for compliance with Federal Acquisition Regulations.

Funds are obligated by issuance of an order under the basic ordering agreement.

BLANKET PURCHASE AGREEMENT (BPA) - CHARGE ACCOUNT

CHARACTERISTICS

APPROPRIATE FOR USE WHEN

Not a contract - an agreement that provides for:

Recurring requirements less than \$25,000.

A simplified Small Purchases method of filling repetitive needs for supplies or services, for a specific period of time,

General terms/description of supplies or services, and list of individuals authorized to make calls.

Obligates the contractor to provide most favored customer prices,

Monthly billing for all calls.

Dollar limitation for calls.

ADVANTAGES:

May be established without a commitment of funds.

Individuals outside the contracting activity may be authorized to place calls.

Bulk funded purchase requests may be used in lieu of individual purchase requests for each requirement.

DISADVANTAGES:

Administrative burden on contracting - may possibly be offset by time saved in document preparation.

LIMITATIONS:

Calls under BPA's cannot exceed specific amount specified in letter authorizing calls (\$5,000).

**REMARKS/EXAMPLES:**

Competition must be obtained for all calls expected to exceed \$1000. Splitting requirements to stay within monetary threshold is contrary to law.

BPA may be established for expendable supplies and commercial type services.

Funds are obligated by issuance of an order on a monthly basis for calls placed under the BPA.

PURCHASE ORDER

CHARACTERISTICS

Purchase order is not a contract but an offer to a contractor that becomes a contract upon acceptance by the contractor or by the contractor beginning performance, provides for:

Fixed prices.

Specific delivery.

Obligation of the Government after acceptance by the contractor.

APPROPRIATE FOR USE WHEN

Requirements \$25,000 or less

ADVANTAGES:

Expeditious processing of purchase requests.

DISADVANTAGES:

Limited to actions of \$25,000 or less.

LIMITATIONS:

Actions of \$25,000 or less.

Must consider mandatory sources of supply, i.e., Federal Supply Schedules, Federal Prison Industries, etc.

REMARKS:

Requirements shall not be split to stay within dollar limitation.

Must justify all sole source requirements more than \$1000.

Funds are obligated by issuance of a purchase order.



## DELIVERY ORDERS

CHARACTERISTICS

Contracts in existence which provide for issuance of delivery orders thereunder; e.g., indefinite delivery, indefinite quantity, and requirements type contracts.

Contracts may be issued by other contracting activities, e.g., General Services Administration.

Orders issued against another DoD component or another Federal department or agency contract; e.g., General Printing Office or Federal Prison Industries.

ADVANTAGES:

Expeditious processing of requirements.

Orders may be placed with other DoD Components, Federal Departments or Agencies without market research, competition or sole source/other than full and open competition justification.

Consolidation of requirements, negotiation and award of a contract that provides for delivery orders when need occurs nominally results in lower costs.

Small purchase dollar limit (\$25,000 or less) does not apply.

REMARKS:

Cannot use to avoid requirement for competition.

Funds are obligated when a delivery order is issued.

APPROPRIATE FOR USE WHEN

Anytime a contract is in existence which provides for delivery orders to fulfill the requirements.

Requirements available from Federal Supply Schedules, issued by the General Services Administration.

EXHIBIT 7D  
READING ROOM MATERIALS  
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## EXHIBIT 7D

## READING ROOM MATERIALS

1. GENERAL.

a. This section prescribes the procedures for the transfer of Request or Proposal (RFP) background documentation (reading room materials) to the Reading Room.

2. RESPONSIBILITIES.

a. Project Officer. All RFP background documentation and the bibliography listing thereof are to be compiled and provided directly to the Reading Room upon DARP approval of the acquisition package by the responsible Project Officer as follows:

(1) Each document should be complete; i.e., if the document is a copy of an original, ensure all pages are included in the document being submitted.

(2) Each document will be bound or stapled; i.e., no loose-leaf documents.

(3) Each classified or FOR OFFICIAL USE ONLY (FOUO) document is to have the appropriate cover sheet stapled to the front of the document (SF 703 -TOP SECRET, SF 704 - SECRET, SF 705 - CONFIDENTIAL, or DA label FOUO).

(4) Each TOP SECRET document is to have a DA Form 969: Top Secret Document Record stapled to the front of the document and directly under the SF 703.

(5) Each classified document must indicate classification of title and complete downgrading/declassification instructions.

(6) Pages of classified documents must be numbered.

(7) Under no circumstances will contractor-proprietary information be accepted.

(8) Copyrighted documents that are the sole ownership of a company will not be accepted without the written permission of that company (provided to the Project Officer).

(9) The bibliography listing is to include the RFP number (if known - ask the Contracting Officer), and the classification (including any restrictive markings such as "Contains NATO Classified Information," "Restricted Data" (RD), "Formerly

Restricted Data" (FRD), "Warning Notice--Intelligence Sources and Methods Involved" (WINTEL), "Not Releasable to Foreign Nationals" (NOFORN), "Dissemination and Extraction of Information Controlled by Originator" (ORCON), etc.), title (complete description including document originator), and accession number of each document.

(10) Each document is to be annotated with the RFP number (if known) and the corresponding accession number (e.g., 86-R-0171-1) on the front upper right-hand corner of the cover sheet and/or document (see attached sample bibliography listing).

(11) The bibliography listing is to be stamped/marked at the top and bottom center of each page with the higher overall classification of document titles.

(12) All unclassified documents are to be listed separately from any FOUO and classified documents.

(13) Any TOP SECRET, NATO or documents containing NATO classified information, or intelligence documents (i.e., WINTEL, NOFORN, ORCON, etc.) must be listed on a separate page.

b. Individuals Responsible for Reading Room. Upon receipt of the reading room materials, the individual will verify all document descriptions/classifications/markings; sign date, and return the original copies of any AF Form 310 to the Project Officer or the Mail Room, as required; log in any TOP SECRET and/or NATO classified documents; make any minor changes to the bibliography listing, as required; and then make several copies of the listing for use by contractor personnel and one unstapled copy for use by the Contract Specialist. All documents will be returned to the Project Officer within seven working days after the RFP closing.

NOTE: Reading Room material may be forwarded to Code PMC earlier to allow industry sufficient time to read material and preclude extending the proposal offering time.

Only classified materials and technical drawings not amenable to automation will be handled by the Reading Room. All other documentation should be furnished to Code PM on floppies (machine readable, IBM PC format, WordPerfect 5.0 per DISA standard). Sufficient copies for all prospective offerors shall be provided.

### 3. Reading Room Criteria.

a. Since the abolishment of the DISA Contractor Information Center Reading Room, individual organizations have

established their own reading rooms. DCA Instruction 240-110-8, Information Security Program, October 1987 and DOD 52001-R, Information Security Program Regulation, June 1986 apply to the handling of classified documents.

b. Program managers and persons responsible for the reading room are required to have the same or higher clearances to handle classified material.

c. Classified material must be stored in appropriate secure containers.

d. Classified notes taken must be accounted for.

e. Readers of the classified material must have appropriate clearance for such material.

## UNCLASSIFIED

## SAMPLE

BIBLIOGRAPHY FOR CONTRACT RESEARCH  
DTPR30190  
RFP# DCA100-93-R-0190

CLASSIFICATION	DOCUMENT TITLE/DESCRIPTION	ACCESS NUMBER
Unclassified	DISA/B430, <u>Site Implementation Data Base, Inventory Site Data Report</u> 17 Feb 89.	1
Unclassified	US Army/Project Manager (PM) TS Memorandum, <u>DSCS Snapshot Schedule</u> , 20 Apr 89.	2
FOR OFFICIAL USE ONLY	- - - - - DOD/Office of the Secretary of Defense (OSD) DOD 5200.1-1, Index of Security Classification Guides, Nov 87.	3
FOR OFFICIAL USE ONLY	- - - - - US Navy, <u>Program Management Plan (PMP) for the</u> <u>Secure Conferencing Project (SCP) Final Operational</u> <u>Capability (FOC) Phase III</u> , Jul 88.	4
FOR OFFICIAL	- - - - - JCS/J3M OPSEC Survey Guide J3M-947-83, <u>Operations Security Survey Planning Guide</u> , 15 Jun 83.	5
CONFIDENTIAL	DCSO B430-15-89 JCS/J6 Memorandum, HJCS-98-88, <u>Secure Conferencing</u> <u>Project Final Operational Capability Redirection (U)</u> , 30 Jun 88, Copy #44.	6
CONFIDENTIAL	DCSO B430-16-89 DISA/B400, <u>Defense Communications System Terrestrial</u> <u>Transmission Program/Plan FY 1990-1994 (U)</u> , Volume 1, Mar 87, Copy #45.	7
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CONFIDENTIAL	DCSO B430-18-89 DISAC 800-55-3, <u>Concept of operations for DSCS</u> <u>Phase III (U)</u> , 21 Jun 83, Copy #47.	9
CONFIDENTIAL	DCSO-B400-275 DISAC 800-A110-1, <u>DSCS Security Procedures and</u> <u>Classification Guide (U)</u> , Jan 86, Copy #295.	10
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CONFIDENTIAL	DCSO-B400-106-88 DISA/B400, <u>US/UK SATCOM MOU 1984-1989 Technical</u> <u>Annexes Revision 6 (U)</u> , undated, Copy #66.	12
- - - - -	- - - - - RESERVED	13
SECRET	DCEC 5002/89/1-1-P DISA/R410 Draft, <u>JAM Resistant Secure Communications</u> <u>(JRSC) System Description (U)</u> , Feb 89, Copy #6 (under Contract DCA100-90-C-0015).	14
SECRET	DCEC-5010-11-P DISA/R410, <u>Engineering Publication No. 2-87 JRSC</u> <u>System Specification (U)</u> , Nov 88, Copy #8 [under Contract DISA100-88-C-0015].	15

# Acquisition How-To Guide

Aug 93

SECRET	DCSO 115/87	DISA/B410 Draft, <u>EPAC/LANT Regional Annex to the System Implementation Plan (SIP) for the JRSC/SCP EOC Phase II (U)</u> , Aug 87, Copy #7	16
-----	-----	RESERVED	
SECRET	DCSO-B400-147	DISA/B430, <u>Transition and Integration Plan for the DSCS Volume I (U)</u> , Sep 88 (Final), Copy #120	17
SECRET	DISA 45651	Draft DCAC 800-E55-5, <u>Concept of Operations for the DSCS Electronic Counter-Countermeasures (ECCM) Network (U)</u> , Apr 85, Copy #21	18

SAMPLE

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## EXHIBIT 7E

GUIDANCE ON COST PLUS AWARD FEE  
PERFORMANCE EVALUATION CRITERIA AND PLANTABLE OF CONTENTS

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AWARD FEE CONTRACTS**A. INTRODUCTION**

As a rule of thumb, a Cost Plus Award Fee (CPAF)-type contract would be used only if the contract period of performance is to be three years or more and the cost exceeds \$3M. Refer to page 7C-21 for characteristics and use of CPAF-type contracts. The following is guidance for one scheme/sample and may or may not be used in total.

An award fee contract provides an additional profit or fee amount that may be awarded, in whole or in part, based upon periodic evaluations of ongoing contractor performance. An award fee arrangement does not include predetermined targets and automatic profit or fee adjustment formulas; instead, the award fee determination is a judgmental one, made unilaterally by the Government and not subject to conventional Disputes Clause procedures.

The award fee contract provides not only profit or fee motivation, but also the motivation resulting from periodic evaluations by one's professional peers. In addition, it offers evaluation flexibility, in two-forms:

(i) the flexibility to evaluate on a subjective basis, taking into consideration both contractor performance levels and the conditions under which such levels were achieved; and

(ii) the flexibility to adjust evaluation plans quickly to reflect changes in Government management emphasis or concern.

This combination of contractor motivation and evaluation flexibility can prove advantageous in the situation making necessary use of a cost reimbursement type contract. It also can encourage more effective communications between the parties and foster a kind of management discipline (on the part of both Government and contractor) that is often difficult to sustain in other than an award fee environment. For this reason, many believe the award fee approach is as much a management tool as an incentive contract type.

In both selecting and implementing the award fee approach, consideration must be given to certain interrelated factors such as the size, complexity, and relative priority of the procurement, the availability of Government resources to monitor and evaluate

performance, and the benefits anticipated. In this regard, just as we would not expect all managers to manage alike, so we would not expect all award fee contracts to be structured and administered in the same way. Evaluation plans and organizational structures should be tailored to meet the management needs of the particular situation. In most cases, this kind of careful tailoring can prevent the situation in which the award fee administrative burden is out of proportion to the improvements expected in the quality of the contractor's performance, and in overall project management.

## B. STRUCTURE

While combinations with other contract types are possible (see paragraph B.6 below), most award fee contracts are of the CPAF type. CPAF contracts include an estimated cost, base fee, an award fee, a maximum fee (the sum of the base and award fee amounts), and a fee payment plan. The contract also includes a provision specifying that award fee determinations will be made unilaterally by the designated Fee Determination Official, in accordance with an approved evaluation plan, and that such determinations will not be subject to appeal under the Disputes Clause of the contract.

The performance evaluation plan normally is not included in the contract, thus preserving the Government's right to alter the plan unilaterally to reflect any changes occurring in management emphasis or concern. If the plan is included in the contract, then a provision should be inserted specifying that the Government retains the unilateral right to amend the plan on a prospective basis. In either case, the contractor must be informed of any changes, and should be given a copy of the current plan in advance of the evaluation period or periods to which it applies.

1. Developing the Evaluation Plan - In developing a performance evaluation plan, keep in mind that the plan should:

- o Motivate the contractor to make the best possible use of company resources to improve performance.

- o Provide for an equitable and timely evaluation process.

- o Communicate evaluation plans and procedures, and anticipate the establishment of effective, two-way communications between the contractor and those Government personnel responsible for evaluating performance and making award fee determinations.

- o Anticipate an evaluation of both performance levels and

conditions.

- o Assure an administrative effort commensurate with the particular situation.

- o Charter an effective organizational structure to administer the award fee provisions.

- o Be kept as simple as feasible, for the simpler the plan, the more effective it is likely to be. In short, the objective should be a workable plan with a high probability of successful implementation.

- o The evaluation plan may be identified by title as Award Fee Determination Plan (AFDP). The plan generally includes certain principal features.

- o Introduction

- o The organizational structure for award fee administration

- o Evaluation requirements

- o The method for determining award fee

- o The method for implementing any changes in plan coverage

Exhibit A at the conclusion of this guide is a sample format incorporating these features, and may prove useful for checklist purposes in the development of actual evaluation plans. Its inclusion in this guidance is for illustrative purposes only, and does not imply any endorsement or advocacy for its use. Keep in mind that each evaluation plan must be tailored to the particular situation.

2. Fees - CPAF contracting assumes an ability to evaluate performance and determine, on a subjective basis, whether and to what extent such performance merits an award fee amount over and above the base fee established. Inherent in this assumption is the idea that base fee was established with a particular quality or level of performance in mind. Base fees generally are established taking into consideration the various profit analysis factors covered by FAR, but in an amount commensurate with that level or quality of performance categorized as minimum acceptable (in certain cases, this amount may be zero). The award fee potential should then be of sufficient size to reward the contractor through all levels of performance in excess of minimum

acceptable.

The sum of the base fee and award fee objectives should reflect the character and difficulty of the contract effort. When evaluated in light of the profit analysis factors in FAR, this sum should be sufficient to compensate the contractor for outstanding performance. Award fee adjustments represent increases from base fee and, depending upon actual performance as evaluated in accordance with the pertinent evaluation plan, the contractor may earn all, part or none of the amount available. If award fee concepts are successful in motivating the contractor toward the achievement of excellent or outstanding performance, then the expected result is a total fee amount greater than the fixed fee that might have been established, assuming use of a CPFF contract.

Maximum fee is the sum of base fee, award fee, and any other incentive fee payable under the contract. It is subject to FAR administrative limitations of not more than 15% of estimated contract costs (exclusive of fee) in the case of CPAF contracts for experimental, developmental or research work; and 10% of such estimated costs in the case of all other CPAF contracts.

Base fee payments normally are made on a monthly basis as part of the cost voucher process, in a manner similar to the payment of fixed fees under CPFF contracts. Award fee earned is paid on a periodic basis consistent with the evaluation cycle. The award fee earned should be paid promptly after the award decision has been made for each evaluation period, and care should be taken to assure that a sufficient portion of the award fee potential has been set aside in advance of the time when needed for payment.

There may be situations where a CPAF contract involves a lengthy performance period, with a significant portion of the total award fee potential reserved for evaluation periods or milestones occurring relatively late in that performance period. Under these conditions, consideration may be given to the establishment of a billing/provisional fee higher than base fee but lower than the amount available for maximum fee. Where an approach of this type is adopted, the contract should provide that payment will be made on the basis of a lesser fee rate (not below base fee) whenever there is any indication that the provisional rate will not be achieved. The contracting officer must be alert to any such indication and, on an annual or more frequent basis if required, should review the status of these provisional payments and make any necessary adjustments.

3. Performance Areas and Evaluation Factors - Fragmentation of the award fee potential over a large number of performance areas and factors dilutes emphasis. Instead, broad performance areas should be selected, such as technical and business management, supplemented by a limited number of subfactors describing significant evaluation elements over which the contractor has effective management control. Project history and past performance can be helpful in identifying those key problem or improvement areas that should be subject to award fee evaluations. As contract work progresses from one phase or evaluation period into the next, the specific performance elements or factors of greatest significance to the Government may change. However, the award fee approach permits unilateral modification of the detailed evaluation plan to reflect these changes in Government management emphasis. There is no requirement to standardize the evaluation factors used in award fee contracting. Uniform application of the same or similar factors to dissimilar functions can decrease motivational impact while at the same time increasing Government administrative effort. Rigid standardization tends to generate evaluation formats that are either too broad or include factors inapplicable to a given function. In either case, evaluators are likely to experience difficulties in providing meaningful comments and ratings. With few exceptions, it is preferable to tailor performance evaluation plans and factors to fit the circumstances of the particular situation, and to revise them if and as those circumstances change.

It is neither necessary nor desirable to include all functions required by the statement of work as part of the performance evaluation plan. Those functions selected should be balanced so that performance in one evaluation area cannot be traded off to the detriment of minimum acceptable or better performance in another area. In particular, the plan should encompass both technical performance and business management/cost considerations, because an evaluation plan limited to technical performance may increase costs out of proportion to any benefits gained.

Depending upon the procurement situation, performance evaluation factors may include outputs, inputs or a combination of both. Output factors relate to the end results of contract performance, such as the quality of the end items delivered or services rendered, the actual time of their delivery or completion, and the actual costs incurred. Their use has obvious advantages, but there are potential disadvantages as well. In certain situations, end results of this type may not be discernible until it is too late for an award fee evaluation

process to have any appreciable effect on the direction in which these results are heading. Also, given the uncertainties that made it necessary to use a cost reimbursement type contract, an evaluation limited to output factors may not provide a true or complete picture of actual accomplishments. To illustrate, the incurrence of a cost underrun or overrun may reflect less on the contractor's cost control accomplishments than on the uncertainties existing at the time the contract cost estimate was negotiated.

For these reasons, input factors often are used instead of or as a supplement to the use of output factors. Input factors relate to those intermediate processes, procedures, actions or techniques that experience and analysis indicate will be key elements influencing successful contract performance. These may include, but certainly are not limited to, areas as diverse as testing and other engineering processes and techniques; quality assurance and maintenance procedures; purchasing department management; and inventory, work assignment and budgetary controls. The important point is not whether factors relate to outputs or inputs, but whether those selected permit a timely and equitable evaluation of the total impact of contractor performance using as few a number of parameters as possible.

Once evaluation factors are selected, a plan is developed for measuring contractor performance and assessing the amount of award fee earned. Quantitative performance measurement standards can assist in this evaluation process, and their use is encouraged whenever feasible and realistic. However, the use of quantitative standards in the award fee environment should not be confused with the use of predetermined targets and fee adjustment formulas under a CPIF or FPI type contract. Selection of an award fee contract is predicated upon the need for flexibility in evaluating contractor performance, and any comparison of contractor performance against quantitative standards in the award fee environment will need to be tempered by a qualitative evaluation of existing circumstances. For example, quantitative output statistics under a contract for support services may be highly misleading unless considered in light of the workloads and priorities existing during the evaluation period in question.

Quantitative measurements do not substitute for judgment, but the greater the ability to identify and quantify the facts considered in arriving at the judgmental assessment required, the more credible that assessment is likely to be (and the easier it will be to prepare the supporting documentation required). In this regard, sufficient information or experience must be available to permit the identification of standards against which

quantitative measurements may be compared. In other words, a quantitative measurement is meaningful for award fee evaluation purposes only if it can be equated to a given performance level through the use of the realistic standards. To be realistic, any standard (or range of acceptable performance levels) should reflect the nature and difficulty of the work involved.

Where quantitative measurement is inappropriate or impractical, a "quality review" approach might be considered. This approach may involve development of a questionnaire requiring "yes" or "no" answers, with a high proportion of "yes" answers indicative of high quality performance. In this regard, whether a quantitative or qualitative measurement approach is appropriate (or, perhaps, a combination of the two), the purpose of the award fee evaluation process remains the same: to assess the contractor's effectiveness in making the best possible use of company resources to improve performance. Keep in mind that any reasonable assessment of effectiveness requires an evaluation process encompassing both performance levels and the conditions under which those levels were achieved.

In addition to identifying how performance will be evaluated and measured, the detailed evaluation plan should indicate the relative priorities assigned to the various performance areas and evaluation factors. This may be accomplished through the use of narrative phrases such as "more important," "important," and "less important." It also may be accomplished through the use of percentage weightings, but here the evaluation plan should clarify that these percentages are for the sole purpose of communicating relative priorities to all concerned, and in no way imputes an arithmetic precision to the judgmental determinations of overall performance quality and the amount of award fee earned. Should the Government's relative priorities change as work progresses from one phase into the next, or as unexpected problems or developments occur, the evaluation plan may be revised without difficulty, on a unilateral basis, to communicate such changes to all interested parties.

Some examples of performance areas and evaluation factors are shown below. They do not cover all possibilities, but illustrate some of the key performance areas and subareas that can be selected as evaluation factors.

- (i) Technical Achievement - Accomplishment achieved in the areas of:
  - o Design: Approach in design concepts, analysis, detailed execution, and low cost design and



manufacturing. Design of test specimens, models, and prototypes.

- o Development: Conception/execution of manufacturing process, test plans, and techniques.

- o Technical: Ability to meet technical requirements for design, performance and processing; e.g., weight control, quality assurance, maintainability, reliability design reviews, test procedures, equipment, performance, etc.

- o Schedule: Ability to meet program key milestones, contractual delivery dates, and ability to anticipate and resolve problems.

(ii) Business Management

- o Program Planning and Organization and Management: Assignment and utilization of manpower; recognition of critical problem areas; cooperation and effective working relationships with other contractors and Government personnel to assure integrated operation efficiency; support to interface activities; technology utilization; use of resources; labor relations; planning, organizing, and managing all program elements; formulations of business and technical decisions; management actions to achieve and sustain a high level of productivity.

- o Compliance with contract provisions: Effectiveness of property and material control, Small Business Subcontracting Program, Equal Employment Opportunity Program, Minority Business Enterprise Program, system and occupational safety, security.

- o Subcontracting: Subcontract direction and coordination, purchase order and subcontractor administration.

- o Schedule: Promptness of delivery, reaction time and appropriateness of response to changes, recovery from delays, response to emergencies and other unexpected situations.

(iii) Cost Control - The contractor's ability to control, adjust, and project the cost aspects of the contract.

- o Budgeting, accuracy of funding projections, and control of cost.

- o Economies in use of manpower, energy, materials, computer utilization, facility utilization, etc.

- o Cost reduction through study and use of alternate arrangements, motivation programs, cost savings programs, cost avoidance programs, designs, process, methods, etc.

- o "Make versus buy" program.

- o Purchasing effectiveness through competition, material inspection, etc.

- o Control of overhead and overtime.

- o Final allowable cost.

One approach to the weighting of evaluation factors to signify Government emphasis is illustrated below. The approach involves the following steps:

a. The primary evaluation factors (performance areas) are listed in descending order of importance, with the least important factor arbitrarily assigned 10 points.

b. The next most important factor is then assigned a weighting reflecting how much more important it is than the least important factor. For example, if the next most important factor is considered three times as important as the least important factor, it would be assigned 30 points. Working from the bottom up, this process is continued until each factor has been matched against the least important factor and assigned points reflecting its relative importance. During this analysis, it may be necessary to go back and adjust assigned points to assure a clear expression of each factor's importance. There is no limitation on the total number of points assigned, so adjustments of this type can be made easily.

Primary Performance Areas

<u>Factor</u>	<u>Assigned Weight</u>
Technical	50
Business Mgmt.	30
Cost Control	<u>10</u>
Total	90

c. Next, the point scores assigned are "normalized" to total 100%. This is done by dividing the points assigned each factor by the sum of all points assigned, and multiplying by 100. For example, if the sum of all points assigned is 90, then the percentage weighting of an individual factor assigned 50 points would be 55.5%. This 55.5% normally is rounded to the nearest whole number to avoid giving the impression (through the use of decimal places) that the procedure is a precise one when, in fact, it results from a judgmental evaluation of relative priorities.

<u>Factor</u>	<u>Assigned Weight</u>	<u>Normalized to 100%</u>
Technical	50	$50 \div 90 \times 100 = 56$ (55.5)
Business Mgmt.	30	$30 \div 90 \times 100 = 33$ (33.3)
Cost Control	10	$10 \div 90 \times 100 = \underline{11}$ (11.1)
Total	90	100

d. The same procedure is then followed to assign percentage weightings to the subfactors supporting each of the primary evaluation factors.

<u>Factor</u>	<u>Subfactor</u>	<u>Assigned Weight</u>	<u>Normalized to 100%</u>
Technical	Design	40	$40 \div 70 \times 100 = 57$ (57.1)
	Quality	20	$20 \div 70 \times 100 = 29$ (28.6)
	Schedule	<u>10</u>	$10 \div 70 \times 100 = \underline{14}$ (14.3)
	Total	70	100

## Business Mgmt.

Planning	40	$40 \div 50 \times 100 =$	80
Subcontracts	<u>10</u>	$10 \div 50 \times 100 =$	<u>20</u>
Total	50		100

## Cost Control

Budgeting	30	$30 \div 40 \times 100 =$	75
Overhead	<u>10</u>	$10 \div 40 \times 100 =$	<u>25</u>
Total	40		100

Primary evaluation factor and subfactor final weights are summarized below:

<u>Factors/Subfactor</u>	<u>Assigned Weight</u>
Technical	56
Design	57
Quality	29
Schedule	14
Business Mgmt.	33
Planning	80
Subcontracts	20
Cost Control	11
Budgeting	75
Overhead	25

4. Evaluation Periods and Award Fee Allocations. The length of formal evaluation periods is determined on a case-by-case basis, but normally is not less than three nor more than six months. Too short an evaluation period can prove administratively burdensome, and lead to hasty or incomplete evaluations. On the other hand, one of the benefits experienced in the use of award fee contracts is an improvement in communications between and among Government and contractor personnel, and this benefit may be jeopardized if evaluation periods are too lengthy, or if they are tied to the accomplishment of milestones occurring at infrequent intervals or subject to possible slippage. While contract work may vary over time in the intensity or importance of the effort required, it generally is preferable to evaluate on the basis of regularly occurring periods, and to recognize any significant variations in work intensity or importance when allocating the total award fee potential among these evaluation periods.

As with the length of evaluation periods, the distribution of the total award fee potential depends in large part upon the circumstances of each case. The total may be allocated equally among the evaluation periods, or larger portions may be distributed to certain periods as appropriate. In short, the award fee approach permits the Government to place maximum award fee emphasis on those evaluation periods in which the performance factors of greatest significance will be most susceptible to meaningful evaluation. Note that these periods may or may not correlate with the periods of greatest cost incurrence.

Tests, demonstrations, and other milestones or events are subject to possible slippage. To eliminate the need for a reallocation of award fee potential, it may be a good idea to allocate any portion of the award fee earmarked for such milestones or events to whatever evaluation periods the milestones or events ultimately occur, rather than allocating to a specific period. To illustrate, a total award fee potential of \$5,000,000 might be allocated among six calendar evaluation periods as follows: \$500,000 to each period, an additional \$400,000 to whatever period Test A occurs, an additional \$600,000 to whatever period Demonstration B takes place, and an additional \$1,000,000 to whatever period (presumably the last) final acceptance testing occurs. Assuming Test A actually takes place during the second period, Demonstration B during the fifth, and final acceptance testing during the sixth, then the final distribution of the award fee potential would look like this:

Evaluation Period	Available Award Fee
1	\$ 500,000
2	900,000
3	500,000
4	500,000
5	1,100,000
6	<u>1,500,000</u>
Total	\$5,000,000

"Rollover" or "rollforward" are terms describing the practice of using all or part of unearned award fees to motivate a contractor in subsequent evaluation periods. Table 1 is a simple illustration of how motivational impact can be affected as the award fee contract progresses from one evaluation period to the next. The Table is not intended as a blanket endorsement of "rollover techniques, but as a demonstration of how, at any point in performance, we can put ourselves in the contractor's place and assess the award fee potential remaining vis-a-vis the performance levels attained and those still desired.

TABLE 1  
ALLOCATION OF AWARD FEE AND EVALUATION PERIODS

0	4	8	12	16 MONTHS
24%	18%	18%	40%	100% AWARD FEE ALLOCATION
360K	270K	270K	600K	\$1.5M AWARD FEE ALLOCATION(\$)
1	2	3	4	EVALUATION PERIODS

CONTRACT PRICE \$10M  
 AWARD FEE \$1.5M (15%)

M = MIILLION  
 K = THOUSAND

IF CONTRACTOR EARNED (1st Period): 60% OF \$360K = \$ 216K  
 (2nd Period): 70% OF \$270K = 189K  
 \$405K

100% OF REMAINING = 870K  
 \$1275K (12.75%)

\$ 405K  
 70% OF REMAINING = 609K  
 \$1014K (10.14%)

IF NO ROLLOVER IS PERMITTED, MAXIMUM POSSIBLE FEE DROPS FROM 15%  
 TO:

12.75% IF CONTRACTOR OPERATES AT 100%  
 10.14% IF PERFORMANCE LEVELS OUT AT 70%

\$ 1,500,000  
 - 1,014,000  
 \$ 486,000 (LOSS OF NEARLY 1/2 MILLION DOLLARS IN POTENTIAL FEE)

The determination whether to permit a rollover of unearned award fee should be based upon an analysis of the work effort, the planned allocation of the award fee potential, and the likely effect on contractor motivation. Generally speaking, an automatic rollover of unearned award fee from one evaluation period to the next should be avoided, because it tends to reduce the effectiveness of the incentive in the current period. Instead, where rollover authority is desired, consideration should be given to providing in the evaluation plan for the exercise of that authority at the discretion of the designated Fee Determination Official.

Some award fee practitioners believe there may be situations in which single evaluation periods do not provide a broad enough base for evaluating the effects of a gradual change in performance quality, or of a particular action or omission. They also cite other situations in which a fully retroactive evaluation would permit a more equitable balancing of high and low activity periods. In such circumstances, these practitioners believe it may be necessary to consider some form of after-the-fact adjustment of award fees earlier won or lost.

One variant of the after-the-fact adjustment approach involves upward only adjustments, and has been used in the past by certain activities in the procurement of newly developed items. In adopting this variant, care must be taken to assure that the contractor is not motivated to recoup previously unearned award fees through an improvement in technical performance disproportionate to any additional time expended or costs incurred. Another variant of the after-the-fact approach is to provide for either an upward or downward adjustment of award fee based upon a retroactive evaluation of overall performance.

Before relying upon any variation of the retroactive adjustment approach, remember that one of the objectives of award fee contracting is to provide the Government with a means for evaluating and influencing the quality of ongoing performance. By definition, an after-the-fact adjustment approach tends to shift at least some incentive focus away from the periodic process to the "final" adjustment decision. For this reason, first consideration normally should be given to the possibility of resolving a potential problem through the award fee allocation process. As previously discussed, the total award fee potential may be allocated among periods to best reflect when important performance factors will be most susceptible to meaningful evaluation, with a significant portion of that potential earmarked for major performance events and made available for award in whatever evaluation period, including the last, such events may



occur.

5. Grading and Scoring Methods - The purpose of any grading or scoring method is to translate evaluation findings into recommended award fee amounts or ranges. While these methods provide a basis for the development of award fee recommendations, they do not substitute for judgment in the award fee determination process--a process that cannot be reduced to any mathematical formula or quantifying device. Grading and scoring methods are intended only to help the Fee Determination Official in deciding the magnitude of award-fee earned; they are evaluation aids, not ends in themselves.

Some general considerations in the development of a grading and scoring methodology are as follows:

a. Keep it as clear and simple as possible. In particular, avoid the kind of unnecessary complexity that can result from a force fitting of specially tailored evaluation factors to a "standard" grading table or scoring formula.

b. Maximum fee should be attainable by the contractor. To be a credible and effective motivator, an award fee contract should provide the contractor with a reasonable opportunity to earn the maximum award fee available, and a reasonable opportunity generally does not mean absolute perfection in all possible performance areas.

c. At the same time, performance normally should not be rewarded if judged at or below the level anticipated in the establishment of the base fee amount.

A grading table is a quantifying device for assigning numerical grades to various levels of performance. An award fee conversion chart also is a quantifying device, designed to convert numerical grades to percentages of available award fee. Table 2 is an example of a grading table and Table 3 of a related award fee conversion chart. Table 4 demonstrates how these quantifying devices can be used in developing an award fee recommendation. The weighting factors used in Table 4 are those computed on pages 7E-11, 7E-12 and 7E-13 of this guide.

TABLE 2

## GRADING TABLE

<u>Adjective Grade</u>	Description	<u>Range of Performance Points</u>
Excellent	Of exceptional merit; exemplary performance in a timely, efficient, and economical manner--very minor deficiencies--no effect on overall performance.	86-100
Good	Very effective performance; fully responsive to contract requirements; more than adequate results; reportable deficiencies, but with little identifiable effect on overall performance.	57-85
Unsatis- factory	Below minimum acceptable standards; poor performance; inadequate results; requires prompt remedial action. Significant deficiencies.	56 and below

\*Any factor/subfactor receiving a grade of unsatisfactory will be assigned zero performance points for purposes of calculating the award fee amount.

TABLE 3

AWARD FEE CONVERSION CHART

The following quantifying device is for use in converting weighted performance points into percentages of available award fee:

Weighted  
Performance Points

Percentage of Available Award Fee

100	100.0%
99	100.0
98	100.0
97	100.0
96	100.0
95	97.5
94	95.0
93	92.5
92	90.0
91	87.5
90	85.0
89	82.5
88	80.0
87	77.5
86	75.0
85	72.5
84	70.0
83	67.5
82	65.0
81	62.5
80	60.0
79	57.5
78	55.0
77	52.5
76	50.0
75	47.5
74	45.0
73	42.5
72	40.0
71	37.5
70	35.0
69	32.5
68	30.0
67	27.5
66	25.0
65	22.5

64	20.0
63	17.5
62	15.0
61	12.5
60	10.0
59	7.5
58	5.0
57	2.5
56	0.0

TABLE 4

FORMULA APPLICATIONI. Assumptions

A. Award fee available for the evaluation period is \$360,000.

B. Evaluation factors and assigned weights are as follows:

<u>Evaluation Factor/Subfactor</u>	<u>Assigned Weights</u>
Technical	56
Design	57
Quality	29
Schedule	14
Business Management	33
Planning	80
Subcontracts	20
Cost Control	11
Budgeting	75
Overhead Control	25

II. Calculations

A. As a result of evaluation, the following performance points are assigned and factored by the assigned weights:

<u>Subfactor</u>	<u>Performance Points</u>	x	<u>Assigned Weights</u>	=	<u>Weighted Performance Points</u>
Design	95 (Excellent)		.57		54
Quality	88 (Excellent)		.29		26
Schedule	85 (Good)		.14		<u>12</u>
Total for Technical					92 (Excellent)
Planning	70 (Good)		.80		56
Sub-contracts	86 (Excellent)		.20		<u>17</u>
Total for Business Mgmt.					<u>73</u> (Good)
Budgeting	70 (Good)		.75		53
Overhead Control	55 (Unsatisfactory)		.25		<u>0*</u>
Total for Cost Control					53 (Unsatisfactory)

\*Note that 25 percent times an unsatisfactory (55 point) performance provides a zero outcome for this subfactor.

B. Computation for total weighted performance points for all evaluation factors:

<u>Factor</u>	<u>Performance Points</u>	x	<u>Assigned Weight</u>	=	<u>Total Weighted Performance Points</u>
Technical	92		.56		52
Bus. Mgmt.	73		.33		24
Cost Control	53 (unsat)		.11		<u>6**</u>

Total for All Factors 82 (Good)

C. Percentage of award fee earned:

82 weighted performance points converts to 65% of available award fee (See Table 3).

D. Award fee recommendation:

\$234,000 (65% of \$360,000)

\*\*Applying the principle that unsatisfactory times anything is zero would drastically change this outcome; e.g., cost control would be zero. Total score would be 76. Seventy-six weighted performance points converts to 50 percent of available award fee, resulting in an award fee of \$180,000 (50 percent of \$360,000) compared to \$234,000.

Again, keep in mind that the sample result computed in Table 4 is an evaluation aid; it does not represent a required award fee amount. To emphasize this point, the following comments and observations concerning Tables 2, 3, and 4 are intended to demonstrate the importance of judgment in the award fee process, and how a single best or right answer can be determined only within the context of the specific procurement situation.

a. In developing an award fee conversion chart, many activities typically assign fractional amounts of fee in constant ratios to given numbers of evaluation points. This results in a simple linear scheme as in Table 3, where each performance point between 57 and 96 is worth 2 1/2% of the available award fee. There is nothing wrong with such an approach; however, the results should be compatible with procurement objectives. To illustrate using Table 3, the same additional award fee amount is provided for an increase from 70 performance points to 80 points (good), as from 86 points to 96 points (excellent). Also, performance at the poor level described in Table 2 could be assigned up to 22.5% of available award fee. In analyzing such results, the question is not whether they are right or wrong, but whether they are, in fact, responsive to what the Government believes are the management needs and priorities of the particular situation.

b. Documentation of assigned performance points obviously would be required in support of the computations in Table 4, and such documentation must be fully considered by the Fee Determination Official in his review of the recommended award fee amount. For example, what facts led to the assignment of an unsatisfactory grade (55 performance points) to the subfactor entitled "Overhead Control"? Why an unsatisfactory grade at 55 points and not a good grade at 57? Under what circumstances was this unsatisfactory level achieved, and was there any relationship between it and the excellent and good performance levels reported for the technical subfactors of "Design" and "Quality"? The Fee Determination Official would no doubt wish to review the answers to these and similar questions regarding the contractor's performance before deciding whether to accept the recommended award fee or some higher or lower amount, such as the amount that would result from the assignment of zero performance points to "Cost Control" when computing total weighted performance points for all evaluation factors (see footnote at the end of Table 4).

The following example demonstrates why zero performance points normally are assigned to unsatisfactory grades; i.e., those reflecting less than minimum acceptable performance (identified as "submarginal" by certain activities).

<u>Evaluation Factor/Subfactor</u>	<u>Assigned Weights</u>	x	<u>Performance Points</u>	=	<u>Weighted Points</u>
Technical	56				
Design	57	x	90	=	51
Quality	29	x	77	=	22
Schedule	14	x	40	=	6
Total (w/Schedule points)					79 x .56 = 14
Total (w/o Schedule points)				-	$\frac{6}{73} \times .56 = \frac{41}{3}$

If the award fee allocation was \$360,000 and each performance point was worth 2.5% of the award fee allocated (2.5% of \$360,000 = \$9,000), then each performance point is worth \$9,000.

Schedule contributed 3 performance points to the total

$$3 \times \$9,000 = \$27,000$$

Contractor earned \$27,000 in award fee for unsatisfactory schedule performance.

Table 5 shows how the Government may adjust evaluation weightings to redirect contractor emphasis to areas needing improvement. Rollover considerations also are portrayed. Finally, Table 6 illustrates an alternate approach to the type of grading table earlier covered in Table 2.



TABLE 5  
EVALUATION WEIGHTING ADJUSTMENT

CONTRACT PRICE \$10M	<u>ALLOCATION</u>				
AWARD FEE \$1.5M (15.%)	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
	24%	18%	18%	40%	100%
	\$360K	\$270K	\$270K	\$600K	\$1.5M

EVALUATION PERIOD 1

<u>FACTOR</u> <u>PERF. POINTS</u>	<u>WT</u>	X	<u>PERFORMANCE POINTS</u>	=	<u>WEIGHTED</u>
TECHNICAL	56		92 (EXCELLENT)		52
BUSINESS MGMT	33		85 (HIGH GOOD)		28
COST CONTROL	11		57 (VERY LOW GOOD)		<u>6</u>
					86*

\*86 = 75% OF \$360,000 = \$270,000

IF WEIGHTS ADJUSTED TO EMPHASIZE COST CONTROL AND SCORES REMAIN BASICALLY THE SAME 2ND PERIOD

TECHNICAL	.46 X 90 = 41	IF PERFORMANCE REMAINS BASICALLY THE SAME, CONTRACTOR GETS 20 PERCENTAGE POINTS LESS OF AVAILABLE AWARD FEE.
BUSINESS MGMT	.24 X 85 = 20	
COST CONTROL	.30 X 57 = <u>17</u>	
	78 = 55%	

IN ORDER TO MAINTAIN AWARD FEE % OF 1ST PERIOD, CONTRACTOR MUST IMPROVE PERFORMANCE IN COST CONTROL WITHOUT REDUCING ANY OTHER AREA.

TECHNICAL	.46 X 90 = 41	CONTRACTOR MUST IMPROVE COST CONTROL FROM A VERY LOW POOR TO A MID-GOOD.
BUSINESS MGMT	.24 X 85 = 20	
COST CONTROL	.30 X 82 = <u>25</u>	
	86 = 75%	

EARNED 1ST PERIOD: \$270,000 (75% OF \$360,000)  
2ND PERIOD: 202,000 (75% OF \$270,000)  
\$472,000

AFTER 2ND PERIOD TOTAL AWARD FEE DROPS FROM 15% TO A RANGE  
OF 13.4% to 11.5% (13.4% IF EARNS 100% OF REMAINDER, 11.25% IF  
EARNS 75% OF REMAINDER.)

100% OF AVAILABLE: \$ 870,000  
\$1,342,000 (13.4%)

75% OF AVAILABLE: \$472,000  
652,000  
\$1,125,000\* (11.25%)

\*IF NO PROVISION FOR ROLLOVER AND CONTRACTOR'S PERFORMANCE STAYS  
AT THE SAME LEVEL OR IMPROVES.

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TABLE 6

## A SIMPLIFIED FIVE POINT-THREE LEVEL AWARD FEE SCORING STRUCTURE

AREA	CATEGORIES	SUBMARGINAL	(0-20) MARGINAL	(21-55) GOOD	(56-85) VERY GOOD	(86-100) EXCELLENT
A Technical Performance	A-1 Thoroughness	Contract surveillance required to complete tasks. Assigns low priority to problem solution.	Requires occasional prodding to complete tasks. Needs government resolution of most problems.	Normal interest and desire to complete tasks with average assistance and direction.	Complete tasks free of incompatibilities with little or no direction.	Develops complete and accurate plans. Seeks out problem areas and resolves with associated action ahead of schedule.
	A-2 Perceptiveness	Never plans ahead. Requires constant prodding from government. Always puts low priority on problems.	Does not usually initiate corrective action unless prodded by government.	Occasionally needs prodding to resolve problems.	Needs very little direction. Usually foresees and solves potential problems.	Always plans ahead seeking out problems before they become real problems.
	A-3 Accuracy	Brief on tasks, tending to leave questionable situations for government to resolve.	Has followed government guidance on tasks.	Has followed guidance, questioning and resolving doubtful areas.	Work complete with notes and explanations for all anticipated questionable areas.	Work on higher caliber incorporating all pertinent data required.
B Management and Cost Control	B-1 Efficiency	Costs/hours overrun the budgets by more than 5% of more than 15% of tasks.	Costs overrun budgets by 14-18% of tasks.	1 hour cost overruns are seldom a problem.	No cost/hour overruns.	No overruns. Some tasks are under-run, thus providing dollars for additional tasks.
	B-2 Responsiveness	Indifferent to direction. Ignores comments of agencies.	Struggles in responding to direction with minimum positive action.	Mostly responds to direction with positive action within a reasonable period of time.	Almost always responds to direction immediately taking positive steps to implement ASAP.	Always immediately responds to direction with extraordinary, quick, decisive, positive action.
	B-3 Ingenuity	Lacking good solutions in many areas. Excessive number of changes with serious cost/schedule impact.	Barely adequate, some difficulty in using solutions; many changes required.	Adequate solutions, uses some proven concepts with tolerance impact in cost/schedule.	Very good solutions including much consideration for proven concepts. Few changes required.	Excellent solutions, highly operable, easily accommodates all respective features.

6. Combinations - An award fee approach may be used in combination with contract types other than CPAF. The most common examples are CPIF/AF and FPI/AF combinations. These are used in situations where cost estimating reliability is judged sufficient to support use of a CPIF or FPI formula incentive on cost, but where the Government also wishes to incentivize certain aspects of quality, technical, and/or schedule performance that do not lend themselves to equitable evaluation on the basis of predetermined targets and automatic fee adjustment formulas. Given the interrelationship between contract costs and the other performance elements involved, care needs to be exercised to assure that these combinations of calculable cost incentive and judgmental award fee determinations do not result in contractor trade-off decisions inconsistent with Government objectives and performance priorities. The award fee guidance included elsewhere in this paper generally applies to the award fee features of these combinations.

In recent years, there have been instances in which a firm fixed price (FFP) arrangement has been combined with award fee provisions to form a FFP/AF combination. This approach may be useful in certain situations where the firm fixed price has been based upon delivery of a minimum acceptable product or service. The Government, although wishing to incentivize the contractor to deliver at an excellent or outstanding level, is unable to define those levels in the quantitative terms required for application of any formula-type incentive approach. For example, the contract may call for a study and delivery of periodic and final reports whose quality is not susceptible to any quantitative measurement technique. Here, an award fee approach based upon judgmental determinations could prove helpful.

### C. ORGANIZATION AND ADMINISTRATION

As is true with many aspects of award fee contracting, the single most effective organizational and administrative approach can be determined only within the context of the particular situation. The overall objective in all cases is the adoption of a fair, equitable and timely approach that does not create or impose an administrative burden out of proportion to the benefits anticipated, or to the value and complexity of the specific contract effort.

1. General Considerations. The following are some basic truisms concerning the organization and administration of award fee contracts:

a. Avoid excessive organizational strata. Excessive strata can be self-defeating to the extent they contribute to unnecessary paperwork, delays in turnaround time, and inordinate manpower demands.

b. At the same time, take care to implement a system providing reasonable checks and balances. The initial assessments of front-line contract and project managers should be subject to an evaluation and determination by higher level management officials who are not involved in the daily interface with the contractor. The objective is a review conducted from a broader perspective, and the result may be a judgment, with respect to the quality of contractor performance, that differs from that exercised by first-line or intermediate evaluators. For example, a shortcoming identified by a first-line evaluator may have resulted from agency management influences and decisions to which the contractor responded at the expense of certain aspects of his contract work. Only higher level management officials are in a position to evaluate this response, and its effect, upon contract performance, in terms of agency or installation-wide priorities and operational requirements.

c. Tailor plans to the specific situation, but do not assume this implies a requirement to reinvent the wheel each and every time, or to ignore favorable past experiences. The tailored, case-by-case application of experienced procedures and practices generally is the most sensible approach.

d. Finally, remember that the objective is to evaluate performance, not direct it. Communication with contractor personnel about performance is of considerable importance in the award fee environment, but should not lead to the direction of efforts in a manner that compromises the contractor's responsibilities under the contract. Appraisal, assessment and measurement connote evaluation, not direction.

2. Basic Organizational Levels and Functions. No single organizational approach will suffice for all situations. However, the following is the basic, three-level organizational structure generally employed. This structure can and should be modified as necessary to meet the requirements of individual programs or projects. Such modification may provide for the inclusion of one or two additional levels if justified by the dollar value and complexity of the contract effort. These additional levels are covered later in this section.

a. Performance Monitors. Monitors generally are designated by the Chairman of the Performance Evaluation Board and

are responsible for:

- o Monitoring, evaluating and assessing contractor performance in their assigned areas.

- o Periodically preparing a Performance Monitor Report for the Performance Evaluation Board (or others as appropriate) and, when and if required, providing verbal presentations as well.

- o Recommending any needed changes in the award fee evaluation plan for consideration by the Performance Evaluation Board and the Fee Determination Official.

Monitors are specialists intimately familiar with their assigned areas of cognizance, and their monitor duties generally are in addition to, or an extension of, their regular responsibilities. In exercising their duties, monitors should make every effort to (i) maintain ongoing communications with their contractor counterparts, (ii) conduct assessments in an open, objective and cooperative spirit, and (iii) emphasize positive performance accomplishments as readily as negative ones. Table 7 is an example of a checklist developed for use by monitors in preparing Performance Monitor Reports. When tailored to the particular situation, checklists such as this can prove helpful in assuring the development of complete and pertinent evaluation data.

TABLE 7

PERFORMANCE EVALUATION REPORT CHECKLIST

1. Did the contractor perform this task with an unusual degree of competence?
2. Were the tasks or specific objectives clearly defined in declarative and unambiguous terms (i.e., reasonably certain and determinable)?
3. What was the impact of the early or late completion of this effort?
4. Did the contractor make unusual effort to utilize manpower available?
5. What was the current work load in relation to the contractor's performance of this particular event?
6. Was the contractor resourceful in attempts to complete the task through in-house capabilities?
7. Did factors beyond the contractor's control hinder or limit performance?
8. What significant relationship exists between this effort and others?
9. Has the performance monitor included adequate descriptions of the facilities involved and their relationships to the event?
10. How important was the time frame involved?
11. Did the contractor perform the effort on its own initiative or as a result of a specific technical direction?
12. Has the performance monitor clearly distinguished the contractor's performance in terms of ingenuity, creativity, and motivation?
13. Has the performance monitor clearly expressed the impact of the event?
14. Has the performance monitor clearly assessed the contractor's performance in regard to all tasks and specific objectives?

b. Performance Evaluation Board (PEB). The PEB generally is established by the Fee Determination Official; however, in the larger, higher priority procurements, it is not uncommon for the head of the contracting activity to assume the responsibility for appointment of PEB members (in certain of these cases, the head of the contracting activity and the Fee Determination Official may be the same individual). The PEB is intended to bring a broader management perspective to the evaluation process than exists at the monitor level, and its members accordingly should be at a relatively high management level. The qualifications of PEB members will vary, depending upon the nature, dollar value and complexity of the procurement; however, those individuals with overall, primary responsibility for the technical and business aspects of contract performance normally are included. Board members should be familiar with the type of work to be evaluated, and able to devote enough time to their assignment to perform thorough and prompt reviews.

Among its other duties, the PEB is responsible for the development of the award fee evaluation plan (subject to the approval of the Fee Determination Official). It is important to establish the Board in sufficient time so it can exercise this responsibility and assure the distribution of an approved plan before the effective date of the first evaluation period. Remaining PEB responsibilities include:

- o Conducting ongoing evaluations of contractor performance based upon Performance Monitor Reports and such additional performance information as may be obtained from the contractor and other sources.

- o Submitting a PEB Report (PEBR) to the Fee Determination Official covering the Board's findings and recommendations for each evaluation period.

- o Recommending appropriate changes in the award fee evaluation plan for consideration and approval by the Fee Determination Official.

Some activities have found it advantageous to establish a permanent PEB, generally consisting of three members. This permanent Board is augmented on each award fee contract by two or more ad hoc members with backgrounds or responsibilities particularly suited for evaluating the type of work involved. The objective is to assure that the PEB performs consistently from one contract to another, and always has available those skills necessary to make fair judgments.



The official responsible for appointing PEB members should designate one as the Chairman. The functions of a PEB Chairman normally include:

- o Calling PEB meetings, controlling attendance and chairing the meetings.

- o Recommending the appointment of nonvoting members to assist the PEB in performing its functions; e.g., a nonvoting secretary.

- o Appointing monitors for the contract effort and assuring they are provided appropriate instructions and guidance.

- o As appropriate, requesting and obtaining performance information from other units or personnel normally involved in observing contractor performance.

- o Calling on personnel from various organizational units to consult, as needed, with the PEB.

- o Assuming responsibility for the actual preparation and approval of the PEER and other documentation such as Board minutes.

c. Fee Determination Official (FDO). The FDO is organizationally senior to the PEB membership and either is the head of the contracting activity or in a position as designated by the head. The FDO normally is identified in the contract, but by position title only, not name. This assures the contractor that award fee determinations will not be made at a level lower than agreed upon, while at the same time eliminating the need to modify the contract in the event there is a change in the incumbent FDO. The responsibilities of the FDO include:

- o Considering the PEER for the evaluation period and discussing it with the PEB Chairman and, if appropriate, with others such as the contractor.

- o Determining the award fee earned and payable for each evaluation period.

- o Issuing and signing the award fee determination report or letter for the evaluation period, specifying the amount of award fee determined and the basis for that determination.

- o Approving the award fee evaluation plan and any changes required during performance.

3. Optional Organizational Levels and Functions. In certain high value, complex efforts involving a multifaceted evaluation effort, one or both of the following organizational levels also may be required.

a. Functional Monitors (FMs). Functional Monitors also may be identified within certain activities by titles such as Performance Evaluation Coordinator or Contract Technical (or Business) Manager. Whatever the title used, the purpose of this level is to provide centralized direction to the various performance monitors in the performance of their assigned evaluation efforts, and to consolidate the findings of the performance monitors for review at the next highest evaluation level. The FM level generally is required only when a relatively large number of performance monitors are involved in the evaluation process. Each FM appointed (normally by the PEB Chairman, with appropriate notification to the contractor) is responsible for one of the broad functional areas to be evaluated, such as technical or business management. FM duties generally include:

- o Furnishing instructions to performance monitors.
- o Coordinating, compiling and analyzing data submitted by the performance monitors.
- o Promptly notifying the contractor whenever a problem is identified requiring immediate contractor attention.
- o Consolidating data and preparing a concisely written Functional Monitor Report (FMR) for presentation to the next highest evaluation level. The FMR covers the evaluation of the contractor's performance in the FM's assigned area during the evaluation period in question.

b. Performance Evaluation Committee (PEC). The PEC level is established only where the contract's dollar value and complexity merit a PEB composed of individuals at a rather high management level. The PEC's purpose under these circumstances is to relieve the PEB of much of the detailed preparatory work required for contractor evaluation, and to fill what would otherwise be a significant gap in evaluation perspective between the high level PEB and the working level performance monitors. The FDO, or the PEB Chairman acting for the FDO, appoints PEC members (including a PEC Chairman) with appropriate notification to the contractor. The responsibilities of the PEC normally include:

- o Meeting monthly to perform a detailed examination and evaluation of Performance Monitor Reports, FMRs and such additional performance information as may be obtained from other organizational elements or sources (including the contractor).

- o Promptly at the end of each evaluation period, submitting a PEC report (PECR) to the PEB, summarizing the monthly evaluations and including overall findings and recommendations.

4. Administrative Issues. Assuming a basic, three-level organizational structure as earlier described, the sequence of events leading to an award fee determination normally is as follows:

- o During the course of the evaluation period, performance monitors monitor contractor performance and act as liaisons between the contractor and the contracting officer.

- o At the end of the period, the performance monitors assess the contractor's performance and provide a written report to the PEB.

- o The PEB considers the Performance Monitor Reports and any other pertinent information. The PEB may discuss overall performance with the contractor during this period.

- o The PEB provides an evaluation report to the FDO. The contractor is provided a copy of this report and is permitted to rebut its findings and recommendations either to the PEB or the FDO.

- o Once the contractor has been provided an opportunity to rebut the PEB report, and the PEB has made any changes, the FDO makes a final determination as to the amount of fee awarded. The FDO makes this award fee determination in writing and provides it to the contracting officer and the contractor.

- a. Timeliness. The timing of the events outlined above is critical, for delays may compromise the benefits accruing from periodic evaluations and reporting. Unless final evaluation results are transmitted to the contractor in a timely manner, and any award fee payments promptly made, these results and payments may not have the desired influence upon the contractor's performance during the follow-on evaluation period. The timeliness of actions involved in changing evaluation plan coverage also is of considerable importance. Proposed changes should be processed expeditiously and the contractor notified in

advance of the evaluation period to which they apply.

For obvious reasons, timeliness is not meaningful if it results from a failure to perform an adequate evaluation or to provide the contractor with a reasonable opportunity to respond in his own behalf. In the final analysis, sound administration of an award fee contract is characterized by a proper balancing between the need for adequate evaluation efforts and supporting documentation on the one hand, and timely actions on the other. This kind of balance generally reflects a good planning effort prior to award, including development of some form of time schedule covering each step in the evaluation process, and the maintenance of open communication channels and a spirit of cooperation afterward.

b. Documentation. The reporting formats used by monitors should be structured to insure clarity and conciseness. Where possible, several evaluation parameters may be consolidated in a single format. Consistency may be achieved by using the same general format for all closely related work at a given activity. However, caution is required here. Carefully tailored evaluation plans must not be compromised by ill-conceived attempts to follow a rigid rating format. Any format adopted should provide a place for the monitors to make narrative comments. These narrative comments cover pertinent information not readily discernible from a review of the completed format. For example, they cover the circumstances under which reported performance levels were achieved, especially if these circumstances were abnormal in any way, or reflected upon the contractor's efficiency in managing assigned personnel and other resources.

Documentation also is important to support the recommendations of committees and boards, particularly where these recommendations differ from the conclusions reported by cognizant monitors. Minutes of meetings or other documentation should summarize the information reviewed, including any additional or explanatory information provided by the contractor, and the consideration given to all such information. Documentation is required even though the ultimate recommendation reflects the best judgment of the committee or board. This is because the objective of evaluation is a judgment based upon all pertinent information, and that information needs to be identified and discussed in applicable documentation. Similarly, the FDO must document the basis for his determination, especially in situations involving a contractor rebuttal of PEB findings and conclusions, or an award fee determination different from that recommended by the PEB.

c. Contractor Inputs. Award fee contracts can be effective

tools for promoting and communicating Government objectives. They also promote improved communications between the parties by placing contractor program managers directly in line with the Government's evaluation reporting system, and as participants in periodic performance review meetings. Open communications are essential and the contractor should be encouraged through the award fee process to identify potential problems as promptly as possible (as opposed to withholding such "bad news" from the Government for fear it might result in lowered evaluation ratings).

At the higher levels, some PEBs obtain written support information from the contractor prior to evaluation meetings, so that all inputs are available during the evaluation process. These contractor self-assessment reports have the advantage of establishing a written record and providing another viewpoint of contractor performance. On the other hand, the contractor must develop its self-assessment without full knowledge of the Government's evaluation, and accordingly may not address those areas actually in issue. Also, these self-assessment reports typically display only that effort reflecting favorably on the contractor, and can prove costly under a cost-reimbursement type contract. For this reason, any contractor inputs of this type should be limited to performance data readily available in contractor management reports, with the contractor discouraged from engaging in "brochuremanship."

Once the PEB report is prepared, the contractor normally is provided an opportunity to comment on or rebut its findings and recommendations. This may be done in writing, verbally as part of a conference with the PEB and/or the FDO, or both. Contractor input at this point assures pertinent communications and allows the contractor to participate in a meaningful way in the evaluation process.

Throughout the period of performance, the contractor should be encouraged to submit suggestions for improving or changing the evaluation process. In addition to the various formal communications channels just discussed, both parties should recognize that the less formal discussions inherent in the award fee evaluation process go a long way toward insuring ultimate program success. Both the Government and the contractor should work to eliminate any unnecessary contractual, organizational or conceptual barriers that diminish information sharing and other communications needed for successful joint problem solving.

#### D. LESSONS LEARNED

Government use of the award fee approach dates back approximately 25 years. This experience has confirmed that in many procurements of support services and complex R&D efforts, the award fee approach can provide contractor motivation, flexibility, and improved management and communications discipline. Experience has provided certain lessons in how best to assure the successful development and administration of an award fee contract, and every effort has been made to incorporate these lessons in this paper. These basic lessons are perhaps best summarized as follows:

1. Need to Assure Award Fee Determinations Reflective of Overall Performance Quality. Overall quality in this context refers both to ongoing contractor performance and to the performance of the product or service ultimately delivered. In this paper, we have discussed several possible approaches to addressing this need, including various award fee allocation techniques, the "rollover" or "rollforward" of unused award fees, and the use of certain retroactive adjustment approaches. We also have stressed the need for balance, to protect the credibility and influence of the periodic award fee evaluation process. In the long run, perhaps the best approach to assuring Government fee payouts that match ultimate performance values is to encourage the development of innovative evaluation approaches, designed to provide a more timely and realistic identification of potential problems and outcomes.

2. Importance of Tailoring Evaluation Plans and Procedures to Specific Situations. If there is any idea this paper has attempted to emphasize, it is this: There is no cookbook approach to award fee contracting. Each award fee contract must be structured and administered in full recognition of its use as a management tool. To be successful, an award fee contract needs to be tailored to reflect and complement the management approach, objectives and priorities the Government believes best suited to the particular procurement.

3. Need to Maximize Use of Award Fee Flexibility. This means giving more than lip service to the idea of evaluating both performance levels and conditions. We need to assure ourselves of an award fee determination based upon a reasonable evaluation of how effectively the contractor is managing the contract effort, given the Government objectives and priorities hopefully communicated to the contractor by the "tailored" evaluation plan just discussed. We also need to take full advantage of the flexibility provided to adjust the plan promptly, to reflect any changes occurring during performance in Government management emphasis or concern.

4. Importance of Award Fee Approach as a Management and Communications Tool. Both experience and research to date have indicated that a major benefit of a properly structured and administered award fee contract is the basis it provides for more effective communications among Government and contractor personnel, at management levels where decisions can be made and results achieved. Frequent and honest communication is essential, both between the Government and contractor, and within their respective organizational frameworks. To illustrate, it may be just as important for the FDO to communicate the rationale for his award fee determination to all those who participated in the Government evaluation process, as it is for him to communicate that rationale to the contractor. Last but not least, open communication implies an environment in which the early informal settlement of potential conflicts is possible, and the timely identification and solution of unexpected problems is encouraged.

EXHIBIT A

AWARD FEE DETERMINATION PLAN FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

Contents

<u>Part</u>	<u>Page</u>
A. Introduction. . . . .	
B. Organizational Structure for Award Fee Administration . . . . .	
C. Evaluation Requirements . . . . .	
D. Method for Determining Award Fee. . . . .	
E. Changes in Plan Coverage. . . . .	

APPROVED BY:

(Signature) \_\_\_\_\_ (Date) \_\_\_\_\_

(Typed Name) \_\_\_\_\_

(Title) \_\_\_\_\_



## A. INTRODUCTION

1. This plan covers the administration of the award fee provisions of Contract No. \_\_\_\_\_, dated \_\_\_\_\_, with \_\_\_\_\_.  
The contract was awarded after completion of negotiations in accordance with the provisions of RFP No. \_\_\_\_\_.

2. The following matters, among others, are covered in the contract:

a. The contractor is required to (very brief statement identifying scope of contract) \_\_\_\_\_

b. The term of the contract is from \_\_\_\_\_ through \_\_\_\_\_.

c. The estimated cost of performing the contract is \$ \_\_\_\_\_.

d. The base fee is \$ \_\_\_\_\_.

e. The award fee pool is \$ \_\_\_\_\_.

f. The estimated cost, base fee and-award fee pool are subject to equitable adjustments on account of change or other contract modifications.

g. The award fee earned and payable will be determined periodically by the Fee Determination Official in accordance with this plan.

h. Award fee determinations are not subject to the Disputes clause of the contract.

i. The FDO may unilaterally change the matters in this plan, as covered in Part E and not otherwise requiring mutual agreement under the contract, providing the contractor receives notice of the changes at least \_\_\_\_\_ work days prior to the beginning of the evaluation period to which the changes apply.

## B. ORGANIZATIONAL STRUCTURE FOR AWARD FEE ADMINISTRATION

The following organizational structure is established for administering the award fee provisions of the contract.

1. Fee Determination Official (FDO)

a. The FDO is \_\_\_\_\_.

b. Primary FDO responsibilities are:

(1) Determining the award fee earned and payable for each evaluation period as addressed in Part D.

(2) Changing the matters covered in this plan as addressed in Part E, as appropriate.

## 2. Performance Evaluation Board (PEB)

a. The Chairman of the PEB is \_\_\_\_\_  
The following are voting members:

\_\_\_\_\_

\_\_\_\_\_

b. The Chairman may recommend the appointment of non-voting members to assist the Board in performing its functions.

c. Primary responsibilities of the Board are:

(1) Conducting periodic evaluations of contractor performance and the submission of a Performance Evaluation Board Report (PEBR) to the FDO covering the Board's findings and recommendations for each evaluation period, as addressed in Part D.

(2) Considering changes in this plan and recommending those it determines appropriate for adoption by the FDO, as addressed in Part E.

## 3. Performance Monitors

a. A monitor will be assigned to each performance area to be evaluated. The assignment will be made by the PEB Chairman as addressed in Part D.

b. Each monitor will be responsible for complying with the General Instructions for Performance Monitors, Attachment D-2, and any specific instructions of the PEB Chairman as addressed in Part D. Primary monitor responsibilities are:

(1) Monitoring, evaluating and assessing contractor performance in assigned areas.

(2) Periodically preparing a Performance Monitor Report for the PEB, or others as appropriate.

(3) Recommending appropriate changes in this plan for consideration, as addressed in Part E.

## C. EVALUATION REQUIREMENTS

The applicable evaluation requirements are attached as indicated below.

<u>Requirement</u>	<u>Attachment</u>
1. Evaluation Periods and Maximum Available Award Fee for Each	C-1
2. Performance Areas and Evaluation	C-2

## criteria

- |                               |     |
|-------------------------------|-----|
| 3. Grading Table              | C-3 |
| 4. Award Fee Conversion Chart | C-4 |

The percentage weights indicated in Attachment C-2, the Attachment C-3 grading table, and the Attachment C-4 award fee conversion chart are quantifying devices. Their sole purpose is to provide guidance in arriving at a general indication of the amount of award fee earned. In no way do they imply an arithmetic precision to any judgmental determination of the contractor's overall performance and amount of award fee earned.

**D. METHOD FOR DETERMINING AWARD FEE**

A determination of the award fee earned for each evaluation period will be made promptly by the FDO after the end of the period. The method to be followed in monitoring, evaluating, and assessing contractor performance during the period, as well as for determining the award fee earned, is described below. Attachment D-1 summarizes the principal activities and schedules involved.

1. The PEB Chairman will assign a monitor for each performance area or subarea to be evaluated under the contract. Monitors will be selected on the basis of their expertise relative to prescribed performance area emphasis. Monitor personnel administration will be in addition to, or an extension of, regular responsibilities. The PEB Chairman may change monitor assignments at any time without advance notice to the contractor. The PEB Chairman will notify the contractor promptly of all monitor assignments.

2. The PEB Chairman will assure that each monitor receives the following:

- o A copy of the contract and all modifications.
- o A copy of this plan along with any changes made in accordance with Part E.
- o Appropriate orientation and guidance.
- o Specific instructions applicable to monitor-assigned performance areas.

3. Monitors will monitor, evaluate, and assess contractor performance and discuss the results with contractor personnel as appropriate, in accordance with the General Instructions for Performance Monitors, Attachment D-2, and the specific instructions and guidance furnished by the PEB Chairman.

4. Monitors will submit monthly Performance Monitor Reports and, if required, make verbal presentations to the PEB.

5. As appropriate, the PEB Chairman will request and obtain performance information from other units or personnel normally involved in observing contractor performance.

6. Periodically, the PEB will consider Performance Monitor Reports and other performance information it obtains and discuss the reports and information with monitors or other personnel, as appropriate.

7. Promptly after the end of each month, except the final month of the evaluation period, the PEB will meet with the contractor and discuss overall performance during the period. As requested by the PEB chairman, monitors and other personnel involved in performance evaluations will attend the meeting and participate in discussions.

8. Promptly after the end of each evaluation period, the PEB will meet and consider all the performance information it has obtained. At the meeting, the PEB will summarize its preliminary findings and recommendations for coverage in the Performance Evaluation Board Report (PEBR).

9. Then the PEB will meet with the contractor and discuss its preliminary findings and recommendations. As requested by the PEB Chairman, monitors and other personnel involved in performance evaluation will attend the meeting and participate in discussions. At this meeting, the contractor will be given an opportunity to submit matters in its behalf, including an assessment of its performance during the evaluation period.

10. After meeting with the contractor, the PEB will consider matters presented by the contractor and establish its findings and recommendations for the PEBR.

11. The PEB Chairman will prepare the PEBR for the period and submit it to the FDO for use in determining the award fee earned. The report will include a recommended range of award fee with supporting documentation. When submitting the report, the Chairman will inform the FDO whether the contractor desires to present any matters to the FDO before the award fee determination is made.

12. The FDO will consider the PEBR and discuss it with the PEB Chairman or other personnel, as appropriate. If requested by the contractor, or if the FDO considers it appropriate, the FDO

will meet with the contractor for discussions. If requested by the FDO, the PEB Chairman and any other personnel involved in performance evaluation may be required to attend the meeting with the contractor.

13. The FDO will determine the amount of award fee earned during the period. The amount determined will not result solely from mathematical summing, averaging or the application of a formula. The FDO's determination of the amount of award fee earned and the basis for this determination will be stated in the Award Fee Determination Report (AFDR). The report will be signed by the FDO and given to the contractor for attachment to its voucher requesting payment of the award fee.

#### E. CHANGES IN PLAN COVERAGE

##### 1. Right to Make Unilateral Changes

Any matters covered in this plan not otherwise requiring mutual agreement under the contract, except the designated FDO, may be changed unilaterally by the FDO prior to the beginning of an evaluation period by timely notice to the contractor in writing. The changes will be made without formal modification of the contract.

##### 2. Method for Changing Plan Coverage

The method to be followed for changing plan coverage is described below. Attachment E-1 summarizes the principal actions and schedules involved.

a. Personnel involved in the administration of the award fee provisions of the contract are encouraged to recommend changes in plan coverage with a view toward changing management emphasis, motivating higher performance levels, or improving the award fee determination process. Recommended changes should be sent to the PEB for consideration and drafting.

b. Prior to the end of each evaluation period, the PEB will submit changes applicable to the next evaluation period for approval by the FDO with appropriate comments and justification, or inform the FDO that no changes are recommended for the next period.

c. \_\_\_\_\_ work days before the beginning of each evaluation period, the FDO will notify the contractor in writing of any changes to be applied during the next period, or that there are no changes. If the contractor is not provided with this

notification, or if the notification is not provided within the agreed-to number of work days before the beginning of the next period, then existing plan coverage will continue in effect for the next evaluation period.

## ATTACHMENT C-1 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

EVALUATION PERIODS AND MAXIMUM  
AVAILABLE AWARD FEE FOR EACHEvaluation Period

No.	Duration	Ending	Max. Avail. Award Fee
1			\$
2			
3			
4			

## ATTACHMENT C-2 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

## PERFORMANCE AREAS AND EVALUATION CRITERIA

The performance areas to be evaluated are identified below. The evaluation criteria for each area are attached, as indicated.

<u>Area No.</u>	<u>Brief Area Identification</u>	<u>Area Weight</u>	<u>See Attachment</u>
1			C-2.1
2			C-2.2
3			C-2.3



ATTACHMENT C-2.1 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

EVALUATION CRITERIA FOR PERFORMANCE AREA NO. 1

(Area Identification Per Attachment C-2)

Area Weight \_\_\_\_\_

Description of Area:

Subareas to Consider:

Evaluation Criteria:

Criteria Weights

Basis or Standard for Measuring Performance:

ATTACHMENT C-3 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

GRADING TABLE

<u>Symbolic (or Adjectival) Grade</u>	<u>Description</u>	<u>Range of Performance Points</u>
---	--------------------	--

ATTACHMENT C-4 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

AWARD FEE CONVERSION CHART

The following quantifying device is for use in converting weighted performance points into percentage of available award fee.

Performance  
Points

Percent of Available  
Award Fee

## ATTACHMENT D-1 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

## ACTIONS AND SCHEDULES FOR AWARD FEE DETERMINATIONS

The following is a summary of the principal actions involved in determining the award fee for each evaluation period.

Action	Schedule (Workdays)
1. PEB Chairman appoints performance monitors and informs contractor.	____ days prior to period.
2. Monitors furnished orientation and guidance.	____ days prior to period.
3. Monitors assess performance and discuss results with contractor.	Ongoing after start of period.
4. Monitors submit Performance Monitor Reports to PEB.	Last day of each month.
5. PEB obtains performance information from other procuring activity personnel.	As requested.
6. PEB considers Performance Monitor Reports and other obtained performance information.	Ongoing.
7. PEB discusses overall performance with contractor during period.	____ days after end of each month except last month in period.
8. PEB meets and summarizes preliminary findings and position of PEER.	____ days after end of period.
9. PEB meets with contractor and discusses preliminary findings and position.	____ days after end of period.
10. PEB establishes findings and recommendations for PEER.	____ days after end of period.
11. PEB Chairman submits PEER to FDO.	____ days after end of period.

12. FDO considers PEBR and discusses it with PEB, as appropriate.

\_\_\_\_\_ days after  
end of period.

13. FDO sends AFDR to contractor.

\_\_\_\_\_ days after  
end of period.

The PEB will establish appropriate lists of subsidiary actions and schedules to meet the above schedules, with emphasis on concurrency to the extent feasible.

## ATTACHMENT D-2 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

## GENERAL INSTRUCTIONS FOR PERFORMANCE MONITORS

1. Monitoring and Assessing Performance

a. Monitors will prepare outlines of their assessment plans, discuss them with appropriate contractor personnel, and encourage maximum understanding of the evaluation and assessment environment.

b. Monitors will plan and carry out both announced and unannounced assessment visits; however, before each announced visit, the monitor should contact appropriate contractor personnel who may accompany the monitor, if desired.

c. Monitors will conduct all assessments in an open, objective and cooperative spirit so that a fair and accurate evaluation is obtained. This will enhance contractor receipt of information from which to plan improvements in performance. Positive performance accomplishments should be emphasized just as readily as negative ones.

d. The monitor will discuss the results with contractor personnel as appropriate, noting any observed deficiencies and/or accompanying recommendations. Adverse items or areas of poor performance will be covered to afford the contractor an opportunity to clarify possible misunderstandings and to correct or resolve deficiencies.

e. Monitors must remember that contacts and visits with contractor personnel are to be accomplished within the context of official contractual relationships. Monitors will avoid any activity or association which might cause, or give the appearance of causing, a conflict of interest.

f. Monitor discussions with contractor personnel are not to be used to instruct, to direct, to supervise, or as an attempt to control these personnel in the performance of the contract. The role of the monitor is to monitor, assess, and evaluate, not to manage the contractor's effort.

2. Documenting Evaluation/Assessment

Evaluations and assessments conducted, results obtained, and discussions with contractor personnel will be documented as

follows:

(Specify format and minimum information requirements)

3. Evaluation/Assessment Reports

Monitors will prepare a formal Performance Monitor Report in accordance with the following instructions and submit it to the PEB, or others, if appropriate, at the end of each month.

(Specify format and minimum information requirements)

4. Verbal Reports

Monitors will be prepared to make verbal reports as required by the PEB Chairman.

## ATTACHMENT E-1 TO AFDP FOR

Contract No. \_\_\_\_\_ With \_\_\_\_\_

## ACTIONS AND SCHEDULES FOR CHANGING PLAN COVERAGE

The following is a summary of the principal actions involved in changing plan coverage.

<u>Action</u>	<u>Schedule</u> <u>(Workdays)</u>
1. PEB drafts proposed changes.	Ongoing.
2. PEB submits recommended changes to FDO.	____ days prior to end of each period.
3. FDO notifies contractor of changes or that there are no changes.	____ days before start of applicable period.

The PEB will establish appropriate lists of subsidiary actions and schedules to meet the above schedules, with emphasis on concurrency to the extent feasible.



## EXHIBIT 7F

## SELECTING CONCERNS FOR THE 8(a) PROGRAM

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Steps in Selecting an 8(a) Firm . . . . .	7F-2
Example of Cover Letter to 8(a) Firms . . . . .	7F-5
Example of Selection Criteria . . . . .	7F-6

## SELECTING CONCERNS FOR THE 8(a) PROGRAM

1. Small Business Administration (SBA) regulations allow for directed sole source awards to 8(a) firms under the following conditions:

a. When the anticipated award price including options will be \$5,000,000 or less for acquisitions assigned manufacturing standard industrial classification (SIC) codes or \$3,000,000 or less for all other acquisitions, OR

b. When an acquisition exceeds the thresholds in paragraph 11a and the SBA has accepted the requirement for a sole source 8(a) award if:

(1) There is not a reasonable expectation that at least two eligible and responsible 8(a) firms will submit offers at a fair market price; OR

(2) The SBA determines that an 8(a) concern is eligible and responsible and needs the acquisition for its business development.

2. The individual responsible for interfacing with SBA and obtaining acceptance for 8(a) sole sources above the thresholds is the Small and Disadvantaged Business Utilization Specialist (SADBUS) (also, known as Director, SADBU) at HQ DISA, Code AS, DSN 222-3680/commercial (703) 692-3680 or 746-2601.

3. The Acquisition Management Organization's preferred method in selecting the sole source 8(a) firm to conduct a limited qualification "run-off" to determine eligible 8(a) firms for contract award. The following describes the methodology that should be employed in conducting the qualification "run-off." Strict adherence to this methodology is not mandatory. This methodology ensures fair and equal treatment of 8(a) contractors, ensures the selection of the best 8(a) firm for the proposed contract effort increasing the probability of successful contract performance, attempts to minimize 8(a) contractor administrative expense, and provides an organized, standard selection process. Consequently, careful consideration should be given when deciding not to adhere to any or all of the methodology.

(a) STEP 1 - Source List. When a requirement has been identified as suited for an 8(a) firm, the appropriate Director, SADBU shall take the lead role in finding 8(a) companies qualified to meet the requirement. In this regard, Program/Project Officers or Contracting Officers shall contact the appropriate Director, SADBU for assistance in identifying

8(a) firms who might be able to perform the work under the proposed Statement of Work (SOW).

(b) STEP 2 - Standard Industrial Classification (SIC) Code. The originator of the contract requirement will provide the OSADBU and the Contracting Officer with a copy of the SOW. The Contracting Officer, with concurrence from the appropriate SADBUS, will determine the proper SIC code.

(c) STEP 3 - Criteria for Rating 8(a) Firms. With the assistance of the appropriate SADBUS and Contracting Officer, the originator of the purchase action will develop criteria by which each 8(a) firms' presentation will be rated. These criteria should be kept simple and focus only on the key areas of technical and management. See page 7F-6 for an example.

(d) STEP 4 - 8(a) Presentation Planning. A cover letter will be prepared and signed by the Contracting Officer forwarding the SOW, criteria, and any other information that is needed to articulate the scope of effort to each firm. As a minimum, the letter should include the SIC code, a designated time period for questions and answers, a designated Government employee to accept both oral and written questions from 8(a) firms, the amount of time allotted for presentations, and the date of presentations. The following are guidelines in planning presentations. (See page 7T-5 for an example.)

(i) Amount of time allotted for each presentation should be commensurate with the scope of the effort.

(ii) Presentations should be scheduled as close as possible to facilitate evaluation and minimize the effects of giving one firm more time for presentation.

(iii) At least 15 minutes should be provided between presentations to allow sufficient time to conduct a preliminary evaluation.

(e) STEP 5 - 8(a) Pre-Presentation. After documentation is complete and presentations are planned, the Contracting Officer will call each 8(a) firm to pick up the 8(a) selection package which contains the letter and its enclosures. The 8(a) firms should have the option to address questions orally or in writing to the Government person designated in the cover letter. The employee designated to take questions preferably should be a non-technical type (to minimize the temptation in answering the question on the spot). At the close of the "question" period, all questions will be consolidated by the Contracting Officer and forwarded to a technical person who can answer the questions. At the close of the "question and answer" period all questions and

answers will be provided in writing to all 8(a) firms by the Contracting Officer.

(f) STEP 6 - 8(a) Presentation. Presentations are given, as scheduled, by each 8(a) firm. These presentations should not be elaborate. Budgets and Government cost estimates shall not be discussed.

(g) STEP 7 - Presentation Evaluation. Evaluation is completed in two parts. The first evaluation is done directly after each presentation. The second and final evaluation is done after all presentations are given. Evaluations are normally oral with key areas being addressed and documented in writing by a designated Government participant.

(h) STEP 8 - 8(a) Recommendation. Within three days after the presentations, the Project Officer will draft a memorandum for the record to document the evaluators' 8(a) recommendations. Each evaluator and the appropriate SADBUS will sign the memorandum which is forwarded to the Director/Commander of the requiring organization for endorsement. After the Director/Commander of the organization has endorsed the recommendation, the recommendation is forwarded to the Contracting Officer for action. The recommendation is included in the acquisition package for review by the DARC.

EXAMPLE

8(a) PARTICIPANTS - PLEASE NOTE

Enclosed is a copy of the draft statement of work for \_\_\_\_\_ and a list of criteria by which your presentations will be evaluated.

Questions about the statement of work will be taken until close of business on \_\_\_\_\_.

Questions will NOT be answered at that time. On or around \_\_\_\_\_, you will be called to pick up a written copy of all questions and answers.

Presentations will be on \_\_\_\_\_. Arrive at DISA Headquarters (701 S. Courthouse Road, Arlington, Virginia) at least 15 minutes before your presentation is scheduled. Upon arrival at DISA Headquarters go the security desk in building 12 (the main entrance) and call \_\_\_\_\_ for an escort.

You are scheduled for a 60-minute block of time. Please try to keep your briefing to no more than 45 minutes. We will try to accommodate more time if this is necessary.

Selection will be based on the enclosed selection criteria.

Standard Industrial Classification (SIC) Code: \_\_\_\_\_.

Questions should be directed to the Contracting Officer, telephone \_\_\_\_\_.

2 enclosures a/s

CONTRACTING OFFICER

EXAMPLE

SELECTION CRITERIA

1. Technical Approach (to include but not limited to):

a. Approach which demonstrates an understanding of Department of Defense (DoD) protocol suite as related to the proposed contract requirement.

b. The feasibility of the technical approach.

2. Knowledge and past experience (to include but not limited to):

a. Evidence of past integration efforts similar in nature to the proposed contract requirement (e.g., experience in the physical and logical connection of one vendor's system to another vendor's system).

b. Resumes of individuals who will work on the proposed contract effort which show experience with long-haul network connections and evidence of working with \_\_\_\_\_ software.

c. Evidence of knowledge and experience in working with the \_\_\_\_\_ operating system.

3. Management and Organization (to include but not limited to):

a. Demonstration of the firm's infrastructure which is capable of handling the proposed contract effort.

b. Demonstration of a project management structure that provides project focus, flexibility, quality control, and general responsiveness to requirements.

c. Presentation of any subcontracting or teaming proposed.

## EXHIBIT 7G

TECHNICAL EVALUATION  
SOURCE SELECTION PLAN AND EVALUATION CRITERIA

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Table 7G, Rating of Proposal: Numerical-Adjectival Equivalence . . . . .	.7G-16

The following forms can be accessed in PerForm or in the warehouse:

- DISA Form 546, Contract Proposal Technical Evaluation
- DISA Form 546A, Individual Evaluator Ratings for Contract Proposal
- DISA Form 546B, Summary of Ratings
- DISA Form 546C, Ranking of Contract Proposals
- DISA Form 546D, Certificate of Nondisclosure

## TECHNICAL EVALUATIONS

1. Introduction.

a. Use of Technical Evaluations. Technical evaluations shall be conducted in accordance with a Technical Evaluation Plan furnished as part of the purchase request package and concurred in by the Contracting Officer. Technical evaluations are used primarily with a negotiated acquisition. As a matter of principle, THE EVALUATION PROCESS MUST NOT BE REDUCED TO A MATHEMATICAL EXERCISE, BUT PROFESSIONAL VALUE JUDGMENTS SHALL BE EXERCISED INSTEAD AND THE RESULTS DOCUMENTED.

b. Method of Award. The overall objective for the award of a defense contract is to obtain the contract most advantageous to the Government, price and other factors considered. Negotiated contracting, like contracting by sealed bidding, must be on a competitive basis to the maximum extent practicable. The type of item acquired and the surrounding circumstances will determine the degree of competition and the type of contract awarded.

c. Sensitivity. Due to the sensitive nature of the Technical Evaluation Plan, it must be protected and marked "SOURCE SELECTION SENSITIVE INFORMATION" and restricted to those few with a need to know. Inclusion of classified information will, of course, require the protection appropriate to the circumstances.

d. Importance of Technical Evaluations. The planning and execution of the technical proposal evaluation is the second most critical phase of the acquisition effort (next to preparation of the SOW). The guidelines for technical evaluations, including planning, individual scoring, and the combination of such scoring in accordance with the reestablished weighted criteria, are given in the following paragraphs.

e. Methodology. The technical evaluation phase of the acquisition process requires absolute attention to detail so that a proper conclusion can be reached in the award phase. The methodology for the technical evaluation may vary with the type of requirement; i.e., technical nonpersonal services, hardware, or maintenance, etc. The key ingredients of any evaluation may be summarized as follows:

(1) Established essential criteria contained in the RFP (solicitation) and Technical Evaluation Plan.



(2) Total impartiality in evaluating the proposals/offers.

(3) Integrity of the evaluation process; i.e., adherence to the written criteria and insulation from outside influences. No one with a real or potential conflict of interest shall participate.

## 2. RFP and Proposal Processing Recapitulation.

a. General. To understand the purpose and application of Technical Evaluation Plans, one needs to understand how purchase request/RFP actions are processed after the Directorate Acquisition Review Panel (DARP) has approved the acquisition action and the RFP has been issued. Proposal processing, evaluation, and contract initiation are joint coordinated efforts of technical and contracting personnel. Each group has its own responsibilities and authorities, and the synergetic actions of both groups should lead to the best contract for the Government.

### b. Sequence.

(1) The Technical Evaluation Plan, which includes the technical evaluation criteria, is a part of the purchase request package/acquisition package (but not part of the RFP). The plan (marked "SOURCE SELECTION SENSITIVE INFORMATION") is prepared during the presolicitation phase of contracting and must be processed under separate cover to Code PM at the same time as the purchase package. Concurrence by Conde PM at the DARP is contingent upon the acceptability of the plan to the Contracting Officer. It is kept on file during solicitation and held ready for use during the technical evaluation phase. The general evaluation criteria set forth in the RFP are derived from the Technical Evaluation Plan.

(2) After the DARP has approved the acquisition, funds have been identified and committed, and the Contracting Officer has prepared the necessary contractual documentation, the RFP is issued inviting industry to submit proposals within a specified time. The RFP will contain general evaluation criteria for the information of all prospective offerers.

(3) Proposals are accepted by the Contracting Officer up to the time of the RFP closing date. At the closing date, unlike the processing of a formally advertised procurement, the opening of proposals is not public and the information is not made public. They are logged in, and all cost information is removed.

(4) The Contracting Officer briefs the Board prior to commencement of the technical evaluation. Proposals are then provided to the previously appointed Chairperson, Proposal Evaluation Board (PEB), for technical evaluation.

3. Proposal Evaluation Board (PEB).

a. Designation.

(1) The PEB Chairperson and members will be designated early in the acquisition process to provide for meaningful input into the Statement of Work and the Preparation of the Technical Evaluation Plan.

Earlier involvement, which is particularly important for large or complex acquisitions, is supported by experienced PEB members who have repeatedly stated that it results in more efficiency and better selections and contract performance.

(2) PEB members are recommended for selection by the supervisor of the Project Officer based on recommendations of the Project Officer, who will normally be the Chairperson. The recommendations are Subject to the approval of the appropriate Deputy Director, or Director/Commander of the activity and the Contracting Officer. It may be necessary for those appointed to complex and lengthy technical evaluations to be relieved of their normal duties during the process, and managers should also avoid appointing members who will be on TDY or extended leave.

b. PEB Size and Qualifications. Depending upon the complexities involved, the PEB shall be composed of two or more personnel of whom one is the Chairperson and with rare exceptions should not exceed five members including the Chairperson. At least one member must be well versed in each of the areas of expertise to be evaluated. One member must be from another Directorate. Receipt of expert advice from outside the Government (e.g., an FFRDC) is discouraged; however, it may be done when absolutely required. Such participation shall be stated in the Technical Evaluation Plan and agreed to by the Contracting Officer. All members must have technical or management qualifications and personal characteristics that make them suitable for this important task.

c. Security. Due to the sensitive nature of negotiated acquisitions, it is imperative that all personnel involved maintain the confidentiality of the action. Evaluators and reviewers are required to execute DISA Form 546D, Certificate of Nondisclosure. All documents shall be marked "SOURCE SELECTION

**SENSITIVE INFORMATION** until contract award. During and after technical evaluations, it is essential that:

(1) No casual conversations take place concerning the evaluation or competition to avoid any possible release of source selection information.

(2) Document security be maintained (proposals secured in a locked container when not being reviewed by evaluators) and all proposals be accounted for and returned to the Contracting Officer after the best and final reevaluation.

(3) Work area be secure (access restricted).

d. **Responsibility for Criteria Weights.** In most evaluations the Chairperson, PEB participates as a voting member of the Board as if he or she were an additional evaluator. When the Chairperson is a voting member of the PEB, it is common practice that he or she not have access to the criteria weights until the evaluation has been completed. Therefore, normally the supervisor of the PEB Chairperson establishes the criteria weights. As an alternative, if authorized by the supervisor of the Chairperson and so reflected in the Technical Evaluation Plan, the PEB Chairperson/Project Officer may participate as an evaluator, exercise a single vote as do the other evaluators, and have knowledge of the criteria weights under the following conditions:

(1) Technically qualified personnel are not available in sufficient quantities, and

(2) The Chairperson/Project Officer is best qualified to establish criteria weights.

4. **The Technical Evaluation Plan.** Sound business judgment and acquisition policy require that any competitively negotiated acquisition have, as part of the purchase package, a plan for evaluation of proposals and ranking of prospective contractors. The Technical Evaluation Plan deals with technical evaluation, not price or cost estimates which are the responsibility of the Contracting Officer.

a. **Purpose.** The primary function of a technical evaluation is to determine which offeror(s), based on the technical aspects of the proposals submitted, are most likely to successfully complete the contract to the best advantage of the Government. To meet this objective, a Technical Evaluation Plan is prepared for use by all personnel in the evaluation process. Among the important purposes of the Plan are the following:

(1) To ensure that all efforts are directed toward a common goal.

(2) To collect, organize, and display the performance and schedule requirements by emphasizing pertinent evaluation criteria and to identify any unusual aspects of the competition.

(3) To provide a structure for organizing the evaluation group and scheduling its activities.

(4) To provide a structure for the preparation of the general evaluation criteria portion of the Request for Proposal (RFP).

(5) To establish a format for discussion at preproposal conferences, if held, and later offeror debriefings.

(6) To serve as a guide for the Contracting Officer in source selection.

(7) To provide standardized procedures and methodology for evaluation purposes to ensure that all offerors are evaluated the same way.

b. Development of Criteria.

(1) The criteria developed for the Technical Evaluation Plan should be as detailed and specific as necessary to cover evaluation of all relevant aspects of the proposals submitted. These criteria should evolve from the Statement of Work (SOW), and, in turn, relate back to the SOW for evaluation. One danger is making the criteria so broad as to be subject to several interpretations and, therefore, not subject to realistic evaluation.

(2) The extra time spent selecting and developing criteria which are directly related to the real objectives of the acquisition and which truly discriminate between proposals will save both technical evaluation time and time spent in negotiation; such criteria will provide a clear, rational basis for source selection. General guidelines for the establishment of evaluation criteria include the following:

(a) Use the smallest number of factors reasonable so that, when scoring, evaluations will not become mathematically "diluted" to the point where any proposer can achieve a reasonably high score, but actually be poor in one or more extremely important factors. Identify and develop certain essential "pass/fail" criteria minimums that may be needed to

meet acquisition objective; highlight them and provide clear guidance to evaluators as to the criteria standard to be met. Use only those factors which are mutually exclusive of each other, or do not correlate with one another. If one criterion correlates or is dependent on another, then use one or the other but not both or provide an integrated criterion responsive to the unique situation.

(b) Use factors that relate directly to the purpose or objective of the acquisition; i.e., ask why are we buying the item and how and when is it to be used. Is it for test and evaluation, for immediate DISA use to fill a communications or ADP gap, or do we want to checkout the related data package?

(c) Use factors that will truly distinguish between proposals. Analyze each proposed evaluation factor as to its potential for discriminating between acceptable and unacceptable proposals.

(d) Tailor the evaluation criteria to the individual acquisition. In service type and research and development acquisitions, criteria more closely akin to "responsibility," such as "personnel experience," could be appropriate. However, give serious thought to be sure that the criteria will truly distinguish among acceptable proposals.

(3) General evaluation criteria, derived from specific criteria will be incorporated in the RFP in their relative order of importance so that prospective contractors may know how their proposals will be evaluated. Detailed specific Criteria Weights WILL NOT BE REVEALED either to the PEB or prospective contractors. However, criteria of similar weight and those criteria that are significantly higher and lower in weight may be identified as such.

c. Content. Technical Evaluation Plans are tailored for each acquisition. They shall include as a minimum:

(1) A Heading - "Technical Evaluation Plan" - with:

(a) Generic Short Title.

(b) Purchase Request Number.

(2) Acquisition Objectives. A statement of the objectives of the acquisition-with sufficient background information to achieve a stand-alone understanding.

(3) Identification of Personnel With Need to Know and Each Individual's Function. Distribution of the Technical Evaluation Plan should be limited to those with a need-to-know and general distribution during its development phase for comment by the general technical community is prohibited. Also see paragraph 3.c for nondisclosure certificates. Every individual who has access or influences the Plan must sign these certificates. The original signed DISA Form 546D for each individual shall be attached to the Technical Evaluation Plan which is forwarded to the Contracting Officer.

(a) Identify PEB members to include the Chairperson with full name, code, phone number for each individual. Indicate individuals who are voting members and the specific and restricted responsibility of nonvoting members, if any; e.g., adviser for crypto.

(b) Identify the individual responsible for preparation of specific evaluation criteria weights. (Justify if individual named is Chairperson of PEB and a voting member; see paragraph 3.d.)

(c) Identify the Senior Manager and any intervening manager responsible for review of the Technical Evaluation Plan, the specific evaluation criteria weights, the completed evaluation report, and endorsement of the report to the Contracting Officer.

(4) Security. Describe steps to be taken to protect and secure all documents and PEB actions and discussions. Expand as necessary to cover classified matters.

(5) Evaluation Criteria. As a minimum the criteria should address the following:

(a) Technical Approach.

1. Project planning and perception of acquisition objective(s).
2. Feasibility of approach.
3. Use of supporting data.
4. Plans for reports and other documentation.

(b) General Quality and Acceptability.

1. Completeness and clarity of presentation.

2. Grasp of problem.

(c) Management, Personnel, and Facilities.

1. Evidence of good organization and management practices.

2. Qualification of personnel.

3. Experience in similar or related fields.

4. Record of past performance.

5. Adequacy of facility.

6. Quality assurance.

(6) Detailed Specific Criteria Weights. The detailed specific criteria weights, in those acquisition evaluations requiring criteria weights, will be prepared by the named individual responsible for this action who will forward the assigned specific weights, under separate cover and properly protected and marked "SOURCE SELECTION SENSITIVE INFORMATION." through the designated Senior Manager to the Contracting Officer. Do not hesitate to assign "pass/fail" weights to essential technical minimums that must be met. This is a VERY RESTRICTED NEED TO KNOW ACTION! Unless already attached to the Technical Evaluation Plan, any person who has access to those weights must attach a signed DISA Form 546D. Weights assigned should honestly reflect the emphasis on the acquisition; e.g., innovativeness versus stability, etc.

(7) Rating of Proposal: Numerical-Adjectival Equivalence. Describe the numerical-adjectival equivalence criteria to be use. Page 1U-16 provides criteria suitable for most technical evaluations. 6

(8) PEB Technical Evaluation Procedures. Normally it should be sufficient to site that the procedures covered in paragraph 5 of Exhibit will be applicable. Regardless, any substitution of different procedures, additions, or deviations will be explained in terms that are clear and easily understood by all participants.

5. PEB Technical Evaluation Procedures. The following procedural guidelines are to be used for the technical evaluation

of competitive proposals. If applied judiciously and sensibly, the procedures outlined (or variations thereof) will result in a technically sound and readily defensible evaluation.

a. Activation of PEB. On or before the date that proposals are due to the Government (Contracting Officer), the Chairperson will notify his/her supervisor who will activate the previously established Proposal Evaluation Board.

b. Assembly and Briefing of PEB. Just prior to receiving the proposals for evaluation, the PEB will be briefed by the Contracting Officer. The PEB will meet at the call of the Chairperson. The briefing shall include a probing review of the following as a minimum:

(1) Classified matters and handling of classified material and discussions.

(2) Protected information and restricted need-to-know limited access to information concerning PEB activities.

(3) Standards of conduct and conflicts of interest, potential or real; the fact that affected individuals are responsible for disqualifying themselves from all participation.

(4) Administrative details, supplies, location of work area, security of work area(s), work periods, protected and/or classified containers, and any other details that are necessary.

(5) The Acquisition Objective(s) and the Solicitation with all enclosures and attachments together with the Technical Evaluation Plan. (The specified criteria weights are not included.)

(6) Discussion of Evaluation Principles:

(a) Each proposal is to be evaluated on its own merits strictly in terms of the criteria in the RFP and the Technical Evaluation Plan.

(b) It is not proper for an evaluator to make presumptions concerning the meaning of any part of the proposal which is not clear in its own terms.

(c) Each evaluator should independently and individually review, evaluate, and assign ratings for each of the proposals. Each proposal should be evaluated on its own merits and not compared to other offerors.



(d) There should be no discussion among PEB members until all initial ratings are complete; the opportunity to discuss ambiguities or clarify interpretations will come after initial ratings are completed.

(e) Items requiring clarification or interpretation should be identified to the Contracting Officer by the PEB Chairperson.

(f) The technical evaluation phase IS THE TIME to identify and set forth ANY and ALL points for NEGOTIATION whether they be ADMINISTRATIVE - - OR - - TECHNICAL. It is in the best interest of the Government and each offeror to achieve a complete and mutual understanding BEFORE award of a contract.

c. Receipt of Proposal.

(1) The Chairperson, PEB, will receive only the technical proposals (i.e., all price information removed) from the Contracting Officer and will distribute them to the members of the PEB team. Prior to distributing the proposals, the Chairperson should ensure that no price information has been inadvertently included. Proposed costs or prices are normally not revealed to the PEB in order not to bias their technical assessment of proposals under evaluation (note that portions of the cost proposal may be revealed at the discretion of the Contracting Officer in order to match cost to technical).

(2) The PEB Chairperson should also distribute sets of evaluation sheets which delineate the previously established evaluation criteria but not the numerical weighting of the criteria. In a complex evaluation the Chairperson may choose to put a control number on each document and record them with the individual's name on a control roster to ensure adequate protection and control of PEB materials. The criteria used must be as stated in the approved Technical Evaluation Plan. (The information pertaining to significance of major elements of the criteria with relative value will have been published in the RFP). These evaluation sheets provide space for the individual evaluators to rate each criterion for each proposal. There is also a summary sheet, DISA form 546B, which permits a compilation of the separate criteria ratings for each proposal.

d. Duties and Methodology.

(1) The primary responsibility for conducting the technical evaluation lies with the PEB Chairperson. Procedures used for a given evaluation will vary with such matters as the complexity of the proposals, the number of proposals received,

the level of effort anticipated in the contract (i.e., the expected dollar level), and the urgency or priority of the contract. In connection with large complex acquisitions, the Chairperson will probably wish to hold extended meetings and discussions, while in a simpler acquisition he or she may desire to have brief discussions and written comments.

(2) It is advisable that each member skim each proposal in its entirety and then make an in-depth reading prior to assigning any ratings. The reason for this is that information relating to one specific evaluation criterion may be found spread throughout a proposal. The skimming followed by an in-depth reading serves to orient the evaluator in the location of relevant information in the proposal. Thus, the evaluator can note and then refer to the various places within the proposal where relevant information is found. Attempts to adjust a rating made when additional information is found in an unexpected place are often time-consuming, self-defeating, or both.

(3) If numerical ratings are to be employed, assessments of technical merit should first be made in terms of qualitative adjectival ratings, each supported by a narrative description and only later converted to numerical values.

(4) The Chairperson must insure that each evaluator submits an individually prepared evaluation sheet, DISA form 546. Regardless of the method of rating used, it is mandatory that each evaluator provide a narrative description supporting the rating of each of the evaluation criterion of each proposal evaluated.

(5) The Chairperson should exercise leadership and ensure that the narrative analysis prepared by each evaluator fully relates to and supports the rating that the evaluator has assigned. As part of the process, it is appropriate to conduct in-depth discussions of each assigned individual evaluator's rating of a proposal to assure its relative merits against the established criteria.

(6) Upon completion of the individual evaluations, the Chairperson will obtain a set of completed evaluation sheets for each proposal from each member of the evaluation board.

(7) The Chairperson will then summarize the results on DISA forms 546A and 546B and apply the weighting factors to the evaluation criteria and calculate a weighted score for each evaluator. The Chairperson will then tabulate the weighted scores and prepare an ordered scored list of proposals on DISA form 546C. From this list and the written comments of the

evaluators, the PEB Chairperson prepares technical recommendations.

e. Recommendations.

(1) The technical recommendations shall be ordered and must be adjectivally rated. Additionally, a descriptive evaluation must be presented for each proposal which summarizes the board's narratives and supports the recommendations.

(2) These recommendations should specify the proposal(s) to be considered for negotiations based on technical considerations. Since the evaluators were not privy to pricing information, they are not in a position to establish an overall acceptability range but can only recommend rejection of those proposals which are technically unacceptable. Therefore, in addition to ordering the proposals and rating them, the evaluations should classify each of the proposals into one of two categories:

(a) Recommended for negotiation (may include unacceptable proposals that may be made acceptable through negotiation).

(b) Not recommended for negotiation. The Chairperson will identify to the Contracting Officer those areas where the proposal/offer is considered unacceptable; i.e., fails to meet the stated requirements in the RFP in major or critical areas.

f. Reevaluation. After negotiations are completed, the Contracting Officer may request offerors to submit their best and final offer. This will necessitate a reevaluation of final proposals as follows:

(1) Such reevaluations should identify all changes and each evaluator must again evaluate each proposal element impacted.

(2) The Chairperson must again summarize the final evaluation, highlight changes that occurred, and submit recommendations to the Contracting Officer.

g. Summary and Recapitulation.

(1) The accomplishment of the evaluation and the scoring is summarized as follows:

(a) Each evaluator completed DISA form 546 for each proposal for each criterion. The form requires a narrative description and permits the use of an adjectival rating and a numerical rating. The equivalence between adjectival ratings and numerical ratings is given on page 7U-16.

(b) The Chairperson will summarize the ratings of the evaluators by proposal on DISA Form 546B. This form summarizes the weighted scores of the proposals averaged over the evaluators.

(c) Finally, the Chairperson will put the proposals in rank order on DISA form 546C, in accordance with the average weighted scores for the proposals. He or she should also indicate on the form those proposals which are considered acceptable and those which are considered unacceptable as supported by the technical recommendations.

(2) The PEB Chairperson will then forward his or her technical recommendations to the Contracting Officer through the Senior Manager (limited to Deputy Director and Principal Deputy) designated in the Technical Evaluation Plan as responsible for review and endorsement of the report to the Contracting Officer. This action should be considered on an "eyes only" basis, with no other staff or adviser not identified in the Technical Evaluation Plan intervening between the Chairperson and the Senior Manager. These recommendations will essentially consist of the rank-ordered proposals as listed on DISA form 546C, as supported by the narrative description of the evaluation of each proposal which the Chairperson compiled.

6. Contracting Officer Responsibilities and Actions. This short brief on noncontracting officer responsibilities and actions after the technical evaluation covers only selected basic elements for the information of technical personnel. Care must be exercised when using the information provided. The Contracting Officer will decide, perform, or cause to be performed the following:

a. Obtains an audit as may be required or desirable.  
Performs cost or price analysis.

b. Determines the competitive range (composed of those offerors with which there is a reasonable possibility of conducting meaningful discussions which could result in the improvement of the offers (proposals), technical, price, and other factors considered, to the point where they could become the most advantageous.) Notifies all offerors whose proposals are determined not to be in the competitive range.

c. Schedules and conducts written or oral discussions (negotiations) with each offeror within the competitive range. Advises each offeror of the ambiguities, uncertainties, and deficiencies in its proposal and gives the offeror a reasonable opportunity to support, clarify, correct, improve or revise it.

(1) During the conduct of such discussions, technical personnel will be called upon to support the Contracting Officer in these discussions to the extent that it is necessary.

(2) During the discussions with any one offeror, neither the Contracting Officer nor supporting personnel may point out the relative strengths and weaknesses of one proposal in relation to others, reveal another offeror's ideas, nor provide information which could give a competitive advantage or disclose Government cost estimates.

(3) No one associated with the acquisition shall hold any other discussion with any offeror or any one else without a need-to-know unless authorized by the Contracting Officer.

d. Notifies offerors that negotiations have been concluded, that best and final offers are desired, and that such offers must be received by an established common cutoff date and time. The PEB must reevaluate (thus, reconvene) any technical changes made by the contract in the best and final offer as discussed in paragraph 5 above.

e. Selects the successful offeror from among proposals in the competitive range, giving consideration to technical, price, and other factors. Where two proposals are substantially equal technically then the price or likely cost will become the deciding factor. Where one technical proposal is clearly best at a higher price, the Contracting Officer must determine if the higher price or likely cost is merited by the superiority of the proposal. In making this determination, the Contracting Officer may require the Chairperson and/or the designated OPR Senior Management member to provide written support demonstrating wherein the higher offeror's proposal has such worth and merit as to set aside the differential in cost.

f. Determines that the successful offeror is responsible within the meaning of FAR/DFARS, obtains the required approvals, and makes the award. Notifies unsuccessful offerors as to who received the award and, as requested, schedules and conducts debriefings calling upon support of technical personnel as may be required.

TABLE 7G

## RATING OF PROPOSAL: NUMERICAL-ADJECTIVAL EQUIVALENCE

Raw Score	Description
8, 9, or 10	OUTSTANDING - Comprehensive and complete: meets or exceeds all proposal requirements; exemplifies complete understanding of the requirements; and demonstrates in detail how to accomplish the task.
5, 6, or 7	ACCEPTABLE - Generally meets or exceeds proposal requirements: omissions are of minor consequence or small; would be likely to produce an acceptable end item.
0 - 4	UNACCEPTABLE - Gross omissions: failure to understand problem areas; failure to respond to requirements; little or no chance of success in completing the end item.

EXHIBIT 7H  
SPECIAL FUNDING ISSUES  
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Use of Different Types of Appropriations on the Same Contract. . . . .	7H-2

## EXHIBIT 7H

## SPECIAL CONTRACT FUNDING ISSUES

## 1. Severability and "Subject to Availability of Funds" Contract Finance Office Clearance.

a. For contracts awarded by the HQ DISA, the appropriate office for obtaining advice on financial matters pertaining to DISA contracts is the DISA Comptroller. For contracts awarded by DECCO, the appropriate office for obtaining advice is the DECCO Comptroller, who in turn may refer the financial issue to the DISA Comptroller. Severability issues with respect to proper fiscal year funds commitment and obligation, proper use of appropriations, and the appropriate use of the "Subject to Availability of Funds" designation shall be resolved by the DISA Comptroller in consultation with the DISA General Counsel. See Exhibit 7A for guidance on determining "reasonable certainty of funds availability" for option years.

b. "Subject to Availability of Funds" - In certain circumstances the use of "subject to availability of funds" may be used on an annual O&M funded contract, for a single fiscal year, in advance of the enactment of the pending appropriations act. "Subject to Availability of Funds" may also be used on a current fiscal year (current contract year) to identify funds to become available in the next fiscal year only. "Subject to Availability of Funds" may not be used to justify awarding a O&M funded contract for multiple years. When the proposed O&M funded acquisition is proposed for more than one year, consistent with the bona fide rule, the out years should be structured using options to renew from one contract year to another in lieu of a contract for multiple years.

## 2. Use of Different Types of Appropriations on the Same Contract.

a. The basis for the following review and approval requirement is a DOD Inspector General (IG) finding identified in DOD IG Audit Report 86-038, "Procurement Functions and Contracts at the Defense Information Systems Agency," 7 Nov 1985. The policy and procedure on the use of different types of appropriations on the same contract is provided to correct a weakness identified in the IG report by providing internal management controls which will ensure the separate accounting of appropriations on contract where more than one appropriation has been included on the same contract.



(1) Prior to using more than one type of appropriation on the same contract, written concurrence of the DISA Comptroller shall be obtained by the Project Officer. This should be accomplished during the processing of the acquisition package by signature of a DISA Comptroller representative who is authorized to sign and approve a purchase request package at a Directorate Acquisition Review Committee (DARC).

(2) In order to provide a basis for concurrence, the Project Officer shall prepare a written statement which explains how the contract will be structured and administered to ensure the separation of payment for each appropriation. This document shall be included in the acquisition package prior to DARP approval. As a minimum, contracts funded by multiple appropriations shall provide separate contract line items for each type of appropriation. Additionally, specific taskings by paragraph number of the statement of work shall be referenced in each contract line item. Billing and payment shall be by the appropriate contract line item. In the case of "cost plus..." contracts, if separate fees are negotiated either because of statutory fee limitations identified in FAR Subpart 15.903(d) or other reasons, separate contract line items shall be identified for those fees, along with the identification of the line item or items to which each separate fee applies.

## EXHIBIT 7I

JUSTIFICATIONS FOR OTHER THAN FULL AND OPEN COMPETITION  
AND  
SOLE SOURCE/SPECIFIC MAKE AND MODEL STATEMENTS

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## EXHIBIT 7I

JUSTIFICATIONS FOR OTHER THAN FULL AND OPEN COMPETITION  
AND  
SOLE SOURCE STATEMENTS

## GENERAL PROCEDURES

1. This Exhibit, Chapter 5, and Chapter 6 supersede Procurement Information Letter (PIL) No. 15 dated 17 Apr 86. This Exhibit provides procedures to promote full and open competition in the acquisition process and for the preparation of Justifications for Other Than Full and Open Competition and Sole Source Statements.

2. When Required and Exceptions.

(a) Acquisitions awarded by DISA Contracting Offices - Justifications for Other Than Full and open competition are required for noncompetitive acquisitions over \$25,000. (Note: A simplified "Sole Source Statement" is required for noncompetitive acquisitions over \$2,500 but not exceeding \$25,000. Although this Guide is only applicable to acquisitions in excess of \$25,000, for lack of any other available document to include the information, a Sole Source Statement format is also provided for use in justifying sole source acquisitions over \$2,500 but not exceeding \$25,000.)

(b) Exceptions are explained as follows:

(1) MIPR's or RO's - Justifications or separate interagency acquisition statements are not required by this Guide. Note that in Chapter 5, Exhibit 5C (format for a MIPR/RO plan), the Plan of Action or Part B of the Exhibit adequately covers any statements regarding reasons for sending an acquisition action to another agency for Contracting action. However, if the receiving agency requires Justifications or sole source statements, those documents should be prepared in accordance with their procedures. In this regard, prior to arranging a MIPR or RO, the "acquisition package" preparer (also referred to as the Project Officer) should determine what information is needed by the receiving agency.

(2) Other Exceptions - See FAR Subpart 6.001 for other exceptions. Further explanation on exceptions may be obtained from the Contracting Officer.

3. Who Prepares Justifications and Sole Source Statements.

In DISA, the "acquisition package" preparer (Project Officer) normally prepares the Justifications for Other Than Full and Open Competition and Sole Source Statements.

#### 4. Content of Justifications and Sole Source Statements.

(a) Each Justification shall, as a minimum, be formatted and contain the information outlined on pages 7I-5 through 7I-10 or 7I-13, as applicable. All paragraphs must be addressed. In cases where "not applicable" may be appropriate, a brief explanation of why should be included.

(b) Each Justification shall contain sufficient information within the justification to permit approval of the Justification as a stand alone document. Enclosures may be used.

(c) Each Justification shall contain appropriate certifications, recommendations, and approval as shown on pages 7I-10 through 7I-13, as applicable.

#### 5. Processing Justifications Over \$25,000.

(a) The Justification is processed for signature of certifications by the "acquisition package" preparer (Project Officer) up to the Contracting Officer. At that point, the Contracting Officer will fill-in the appropriate signature blocks, obtains other signatures and approvals, and return the approved document to the "acquisition package" preparer (Project Officer). IMPORTANT NOTE: THIS DOES NOT RELIEVE THE "ACQUISITION PACKAGE" PREPARER OF THE RESPONSIBILITY OF AGGRESSIVELY FOLLOWING-UP ON JUSTIFICATION APPROVALS WITH THE CONTRACTING OFFICER.

(b) The signed Justification should then be married with the "acquisition package" to continue the processing and approving of the "acquisition package" as identified in Chapters 2 and 3.

(c) In order to allow adequate time for approval, the Justification should be written and processed as soon as adequate information is available. This could be concurrent with obtaining acquisition plan (Chapter 5) approval.

#### 6. Processing Sole Source Statements Over \$2,500 But Not Exceeding \$25,000.

Since there is no requirement for approval (other than the Contracting Officer) of a Sole Source Statement outside the "acquisition package" preparer's organization, Sole Source

Statements may be processed concurrent with the processing of the "acquisition package."

## FORMAT OF JUSTIFICATIONS

DEFENSE INFORMATION SYSTEMS AGENCY  
JUSTIFICATION AND APPROVAL  
FOR OTHER THAN FULL AND OPEN COMPETITION  
(Purchase Request for HQ DISA and TSR No. for DECCO)

NOTE: At the end of each paragraph, the regulatory authority (FAR Cite) is provided.

I. IDENTIFICATION OF THE REQUIRING AND CONTRACTING ACTIVITY:

Identify the requiring activity and the contracting activity that will award the contract (self-explanatory).

II. NATURE OF SUPPLIES/SERVICES:

Describe the nature of the contractual action (e.g., design effort, engineering support services, study) and the type of procurement instrument (e.g., new contract, contract modification/new work to be done within original contract and original period of performance, a follow-on contract to the existing contract, BOA, etc.) for which approval is requested. Include the type of contract pricing arrangement (fixed price, cost plus fixed fee, cost plus award fee, etc.) anticipated. Summarize the contractual history of the previous/ongoing contract(s) (e.g., contractor, date of contract award, contract number, whether award was competitive or noncompetitive, total amounts on each contract).

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(1))

III. DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS:

Describe the supplier or services to be acquired including the applicable procurement fiscal years. Identify the fund type. State the estimated total dollar value of the proposed action (both including and excluding the options, if any). Address options separately, giving the length and the estimated total dollar value of each.

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(2) and (3))

IV. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION:

Identify the statutory authority (e.g., 10 U.S.C. (c)(2), unusual and Compelling Urgency) permitting other than full and

open competition. Only one statutory cite should be listed. Describe and demonstrate how this action requires the use of the authority cited. Lack of advance planning or concerns related to the amount of funds available cannot be used as the basis for this justification. The statutory-authorities for contracting without providing full and open competition are provided as follows. FAR Part 6 provides additional explanation of the statutory authorities (See Subpart 6.3):

- 10 U.S.C. 2304(c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirements.
- 10 U.S.C. 2304(c)(2) - Unusual and compelling urgency.
- 10 U.S.C. 2304(c)(3) - Industrial mobilization; or engineering, developmental, or research capability.
- 10 U.S.C. 2304(c)(4) - International agreement.
- 10 U.S.C. 2304(c)(5) - Authorized or required by statute.
- 10 U.S.C. 2304(c)(6) - National security.
- 10 U.S.C. 2304(c)(7) - Public Interest.

(REGULATORY AUTHORITY: FAR 6.303-2(a)(4))

V. PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED:

Identify the proposed or potential contractor and include a discussion and demonstration of the proposed/potential contractor(s) unique qualifications (e.g., unique experience and/or knowledge, one-of-a-kind facility, proprietary data, etc.) for accomplishing the required tasks.

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(5))

VI. EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS IS POSSIBLE:

a. Describe efforts made to ensure that offers are solicited from as many potential sources as is practicable (e.g., CBD advance notices, draft RFP'S, publication in trade journals, newspapers, magazines, paid advertisements, etc.). Also describe the extent of effective competition anticipated for this action.

b. INSERT the statement "A CBD notice will be (or has been) published as required by FAR Subpart 5.2." If 10 U.S.C. 2304(c)(2), Unusual and Compelling Urgency, or 10 U.S.C. 2304(c)(6), National Security, is the authority cited in paragraph III above, DO NOT insert the statement.

c. There may be instances where it is not possible to compete the current acquisition; explain how competition will be increased or enhanced (e.g., writing Competitive SOW, etc.) for the future requirements for supplies/services of this nature.

d. Include a listing of the sources that expressed written interest in the acquisition. If 10 U.S.C. 2304(c)(1) is the proposed authority, explain why these listed sources, or sources responding to any subsequent synopsis, were or will be rejected.

(REGULATORY AUTHORITY: FAR 6.303-2(a)(6))

VII. DESCRIPTION OF THE MARKET SURVEY (FAR 7.101) CONDUCTED AND THE RESULTS OR A STATEMENT OF THE REASONS A MARKET SURVEY AS NOT CONDUCTED:

A market survey means attempts to ascertain whether other qualified sources capable of satisfying the Government's requirements exist. This testing of the marketplace may range from written or telephone contacts with knowledgeable federal and non-federal employees regarding similar or duplicate requirements, and the results of any market test recently undertaken, to more formal sources sought announcements in pertinent publications (e.g., Commerce Business Daily or technical publications). When dealing with federal or non-federal employees, you are CAUTIONED against revealing any sensitive procurement information. When in doubt consult with the Contracting Officer.

(REGULATORY AUTHORITY: FAR Subparts 6.303-2(a)(8) and 7.102)

VIII. OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION:

Discuss any other factors supporting the use of other than full and open competition, such as:

a. Acquisition data availability; explain why specifications, engineering descriptions, or competitive statements of work or purchase descriptions suitable for full and open competition have not been developed or are not available for this acquisition. Describe actions being taken or planned to remedy this situation.



b. Follow-on contracts - When FAR 6.302-1(a)(2)(ii) is cited, include an estimate of the cost to the Government that would be duplicated and how the estimate was derived. This estimate must be "fully substantiated."

c. Unusual and Compelling Urgency - When FAR 6.302-2 is cited, provide data, estimated cost, or other rationale as to the nature and extent of the injury, financial or other, to the Government in delaying the acquisition.

(REGULATORY AUTHORITY: FAR Subpart 6.303-3(a)(9))

IX. LISTING OF THE SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION:

In many instances the DISA justification is certified and approved prior to synopsis by the contracting organization. When 10 U.S.C. 2304 (c)(1), only one responsible source and no other supplies or services will satisfy agency requirements, is the authority cited and another source(s) responds to the synopsis, the Contracting Officer shall notify the justification Approving Authority. A determination will then be made by the Approving Authority on whether to open the requirement to competition or to negotiate with only one source.

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(10))

X. ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICE REQUIRED:

Include a statement of the actions taken or to be taken to increase competition before any subsequent acquisition of the supplies or services is required. There may be instances where it is not possible to compete the current acquisition; explain how competition will be increased or enhanced for the required supplies or services (to include breakout or other considerations). Also, identify the date (month/year) of the projected competitive acquisition for the subsequent supplies or services required.

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(11))

XI. Independent Government Cost Estimate (IGCE) is enclosed.

(REGULATORY AUTHORITY: To support the contracting officer's determination of anticipated fair and reasonable)

THE FOLLOWING PAGE OF CERTIFICATIONS IS REQUIRED FOR ALL JUSTIFICATIONS FOR OTHER THAN FULL AND OPEN COMPETITION.

NOTE: ALL THE "NOTES" ON THE FOLLOWING CERTIFICATION AND APPROVAL PAGES ARE EXPLANATORY AND SHOULD NOT APPEAR IN THE ACTUAL JUSTIFICATION DOCUMENT.

**XII. CERTIFICATIONS:**

I hereby certify that the supporting data, that is the responsibility of the technical personnel and which forms a basis for the Justification, is complete and accurate.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NOTE: THIS CERTIFICATION WOULD BE SIGNED BY THE REQUIRING ACTIVITY ASSIGNED ACTION OFFICER/COR/COTR. FOR DECCO, A STATEMENT MADE IN THE TSR BY THE TCO WILL SATISFY THIS CERTIFICATION. IN THAT CASE THE CONTRACTING OFFICER SHOULD PLACE AN EXPLANATORY STATEMENT REFERENCING THE TCO CERTIFICATION.

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(b))

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I have reviewed the justification for minimum needs, schedule requirements, and rationale for less than full and open competition. The justification is complete to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

NOTE: THIS CERTIFICATION WOULD BE SIGNED BY THE DIRECTOR OF THE REQUIRING ACTIVITY AT DISA HEADQUARTERS. FOR DECCO, A STATEMENT MADE IN THE TSR BY THE TCO WILL SATISFY THIS CERTIFICATION. IN THAT CASE THE CONTRACTING OFFICER SHOULD PLACE AN EXPLANATORY STATEMENT REFERENCING THE TCO CERTIFICATION.

(REGULATORY AUTHORITY: FAR Subpart 6.303-1)

USE THE FOLLOWING IF THE ACQUISITION EXCEEDS \$100,000. OTHERWISE IF THE ACQUISITION EXCEEDS \$25,000 AND IS \$100,000 OR LESS USE PAGE 7I-12 FOR BOTH THE CERTIFICATION AND APPROVAL.

**XII. CERTIFICATIONS (continued):**

As the Contracting Officer, I hereby determine that the anticipated cost to the Government for this contract action appears fair and reasonable based on the (leave blank/will be completed by the Contracting Officer) and that this justification is accurate and complete to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(REGULATORY AUTHORITY: FAR Subpart 6.303-2(a)(7) & (12))

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NOTE: ONE OF THE FOLLOWING REVIEW AND APPROVAL PAGES SHALL FOLLOW THE CERTIFICATIONS. HOWEVER, SEE THE NOTE AT THE TOP OF THIS PAGE. THE CONTRACTING OFFICER SHALL PROVIDE THE APPROPRIATE PAGE WITH ALL SIGNATURE BLOCK TITLES COMPLETED.

NOTE: THIS PAGE IS USED FOR JUSTIFICATIONS OVER \$25,000 AND NOT EXCEEDING \$100,000 INCLUDING ALL OPTIONS.

**XII. CERTIFICATION AND APPROVAL:**

As the Contracting Officer, I hereby determine that the anticipated cost to the Government for this contract action appears fair and reasonable based on the (leave blank/will be completed by the Contracting Officer) and that this justification is accurate and complete to the best of my knowledge and belief.

I have also reviewed this justification for conformance with the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and for the appropriateness of other than full and open competition and find no condition or action that unnecessarily restricts competition. I hereby approve this justification.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(REGULATORY AUTHORITY: FAR Subpart 6.304(a)(1))

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NOTE: USE THIS PAGE IF THE JUSTIFICATION EXCEEDS \$1,000,000 INCLUDING ALL OPTIONS.

XIII. REVIEW AND APPROVAL:

As Senior Procurement Executive, I have reviewed this justification for conformance with the Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) and for the appropriateness of other than full and open competition and find no condition or action that unnecessarily restricts competition. I hereby recommend that this justification be approved.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(REGULATORY AUTHORITY: FAR Subpart 6.304(a)(3)(i))

---

As Senior Procurement Executive, I hereby approve this justification.

Signature: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(REGULATORY AUTHORITY: FAR Subpart 6.304(a)(4))

## FORMAT FOR SOLE SOURCE/SPECIFIC MAKE AND MODEL STATEMENT

For Noncompetitive Actions Over \$2,500 but not exceeding \$25,000

I. Description of Acquisition: Provide a short description, estimated amount, period of performance/date supplies needed

II. Need for Sole Source/Specific Make and Model: A complete explanation why the requirement cannot be accomplished on a competitive basis; if time is of the essence, the reason why advance planning was not feasible; if specific make and model state the reasons only this particular piece of software or equipment will meet the need (technical reasons or other basis). Such statements as the following are NOT adequate reasons for sole source:

- The low dollar value does not warrant competition.
- The competitive solicitation process would not be cost effective to the Government.
- It is cost effective to add this equipment/service to the existing contract containing like equipment/services rather than compete for another contract.
- Competitive services will be investigated for this equipment/service in the future if the price of the present contractor becomes so high that the cost of a competitive acquisition would be justified as economically advantageous for the Government.

III. Actions Being Taken to Avoid Future Noncompetitive Acquisitions and One-time Statement: An explanation that the requirement is either a one-time requirement or if not a one-time requirement, what steps have been or will be taken to foster competition on the follow-on acquisition.

IV. Impact Statement: Impact of the sole source/specific make and model if the contract is not awarded.

V. Recommendation Statement.

Signature: \_\_\_\_\_  
Preparer's Name and Title

Date: \_\_\_\_\_

NOTE: This is the title and signature of the technical person responsible for the analysis and the date signed.

(REGULATORY AUTHORITY: FAR Subpart 13.106(c))

CHAPTER 8  
UNSOLICITED PROPOSALS



## CHAPTER 8

## UNSOLICITED PROPOSALS

1. PURPOSE. This Chapter establishes the procedures and responsibilities for the handling of unsolicited proposals received from contractors. Pertinent information contained in FAR Subpart 15.5 will be referenced, as opposed to repeated, in this procedure.

2. DEFINITIONS. See FAR 15.501 for definitions for advertising material, commercial product offer, contribution, technical correspondence, and unsolicited proposal. Advertising material, commercial product offers, contributions, or technical correspondence are not unsolicited proposals.

3. BACKGROUND.

a. The unsolicited proposal is a valuable means by which unique or innovative methods or approaches which have originated or developed outside the Government can be made available to Government agencies. It is offered in the hope that the Government will enter into a contract with the offeror for research on, or development of, the methods, approaches, or ideas it contains, or the conduct of the activity or services or the delivery or the items it proposes.

b. It should not be merely an advance proposal for a specific agency requirement which would normally be acquired by competitive methods.

c. An unsolicited proposal is prepared independently of the Government and often represents a substantial investment of time and effort by the offeror.

d. A proposal should present the proposed work in sufficient detail to allow a determination that Government support could be worthwhile and that the proposed work could enhance, benefit, and/or provide valuable input to our Agency's research and development mission or to some other area of Agency responsibility.

e. Prior contact of contractors with agency technical personnel is permissible with the limited objective of conveying to the prospective offeror an understanding of the agency mission and needs relative to the type of effort contemplated.

f. Personal contacts shall be conducted in a manner that will preclude Agency commitments regarding acceptance of unsolicited proposals.

4. RESPONSIBILITIES.

a. HQ DISA (Chief, Contract Management Division - Code PM) and DECCO (Deputy Director, Communications Procurement Directorate - Code RP):

- (1) Receive and control each proposal received.
- (2) Refer proposals to appropriate DISA elements for technical review and evaluation.
- (3) Advise the offeror of the DISA decision on the proposal.

b. Directorate Heads, DISA, and Directors and Commanders of DISA field activities will:

(1) Notify the Chief, Contract Management Division or Deputy Director, Communications Procurement Directorate immediately upon receipt of a proposal directly from a contractor so that the control required by this procedure can be established.

(2) Review and provide the results of the evaluation of a proposal when requested by the Chief, Contract Management Division or Deputy Director, Communications Procurement Directorate.

(3) RETURN ALL COPIES of any proposal which is not accepted.

5. PROCEDURES.

a. Unsolicited proposals should be submitted to either the Chief, Contract Management Division (Code PM), Headquarters, DISA, or Deputy Director, Communications Procurement Directorate. A preliminary evaluation will be conducted by the contracting officer to ascertain that the proposal is an unsolicited proposal and not advertising material, commercial product offer, contribution, or technical correspondence. Additionally, the contracting officer will review the proposal to ensure the contents are adequate for evaluation. Unsolicited proposals should contain the information listed in FAR 15.505, Content of Unsolicited Proposals. The contracting officer will then forward

the unsolicited proposal with a letter of instruction to a DISA technical office for technical evaluation.

b. Unsolicited proposals shall be protected in a restricted need-to-know manner which will encourage prospective contractors to disclose ideas which they have originated or developed to the Government. All Government personnel handling a proposal shall exercise EXTREME CARE to insure that the information contained therein is not disclosed outside the Government and is NOT DUPLICATED, USED, OR DISCLOSED in whole or part for any purpose other than to evaluate the Proposal, without the written permission of the offeror. If additional copies of the proposal are required to complete the evaluation, contract the Contracting Officer for instructions.

c. In evaluating an unsolicited proposal, agency personnel shall consider, in addition to any other criteria, the criteria found in FAR 15.506-2, Evaluation. DISA Form 546E: Unsolicited Proposal Evaluation Check List, is designed to facilitate proposal evaluation.

d. A favorable comprehensive evaluation of an unsolicited proposal is not, in itself, sufficient justification for negotiating on a noncompetitive basis with the offeror. The following are adequate reasons for rejecting an unsolicited proposal even when the document qualifies as an unsolicited proposal but the substance:

(1) Is available to the Government without restriction from another source.

(2) Closely resembles that of a pending competitive solicitation.

(3) Is otherwise not sufficiently unusual to justify acceptance.

e. When the evaluation results in the decision to accept the proposal, an acquisition package should be processed in accordance with this How-To Guide. Note that a JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION is required (See Exhibit 7I - For unsolicited research proposals, see FAR 6.302-1(a)(2)(i). Note that pursuant to FAR 15.507, a valid unsolicited proposal for other than research may be accepted only if otherwise permissible under other provisions of FAR Subpart 6.3.)

f. When acquisition is intended, and competition is feasible or the evaluation results in a decision that the proposal should not be accepted, the evaluator(s) shall provide

concise reasons for rejection to Code PM or Code RP to assist in their response to the offeror.

CHAPTER 9

EXPLANATION OF FORMS

## SF FORM 298, REPORT DOCUMENTATION PAGE

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SF Form 298 can be accessed in PerForm or in the warehouse

## ACQUIRING SCIENTIFIC AND TECHNICAL REPORTS

(Includes Standard Form 298, Report Documentation Page, Preparation)

1. DATA ITEM DESCRIPTIONS (DIDs): The following two DIDs, DD Forms 1664, are frequently cited on the Contract Data Requirements List (CDRL), DD Form 1423, to acquire scientific and technical reports:

a. DI-MISC-80508, titled "Technical Report - Study/Services," approved on 15 Jan 1988, is used to acquire a technical report providing fully documented results of performed studies and analyses. It contains the format and content preparation instructions for technical reports providing fully documented results of studies or analyses performed.

(1) This DID is generally used when O&M funds are cited on a contract to perform studies and/or services and supersedes DI-A-5029.

(2) This DID is Defense Technical Information Center (DTIC) applicable. (See Exhibit 7H, paragraph 13.c.(9), and paragraph 13.c.(14), of "Acquiring Data Deliverables, DD Form 1423," for additional information on DTIC requirements.)

b. DI-MISC-80711, titled "Scientific and Technical Reports," approved 2 December 1988, is used to describe and disseminate to the analytical, scientific and technical community the precise nature and results of analytical studies, RDT&E on assigned task(s). Scientific and Technical Reports may be definitive for the subject presented, exploratory in nature, or an evaluation of critical subsystem or of technical problems. This DID is applicable to the organization, preparation and production of technical publications.

(1) This DID is generally cited on the CDRL when RDT&E-funded Scientific and Technical Reports are to be acquired and supersedes UDI-S-23272C, DI-S-4057, and DI-S-3591A.

(2) This DID is DTIC applicable. (See Exhibit K, paragraph 13.c.(9), and paragraph 13.c.(14), of "Acquiring Data Deliverables, DD Form 1423," for additional information on DTIC requirements.)

2. APPLICABLE STANDARD: DID No. DI-MISC-80711 requires that document format shall be in accordance with American National Standards Institute Standard Z-39.18 dated November 1987 (ANSI

Z39.18-1987), titled "Scientific and Technical Reports: Organization, Preparation, and Production." ANSI Z39.18-1987 was adopted and MIL-STD 847B was canceled by the Department of Defense on 25 May 1988. The ANSI standard is comprehensive and is applicable to a wide variety of technical reports.

a. Copies of this standard are stocked at the Naval Publications and Forms Center; 5801 Tabor Avenue; Philadelphia, PA 19120; for issue to DoD activities only. DISA and NCS action officers may order copies through Code BISS.

b. Non-DoD Government activities, contractors, private concerns, or other requestors must obtain the document from the American National Standards Institute, Inc.; 1430 Broadway; New York, NY 10018.

3. DISTRIBUTION STATEMENTS: DoD Directive 5230.24, "Distribution Statements on Technical Documents," dated 18 March 1987 requires that DoD managers of technical programs shall assign distribution statements to all technical documents generated within their programs before primary distribution. A "distribution statement" is a statement used in marking a technical document to denote the extent of its availability for distribution, release, and disclosure without need for additional approvals and authorizations from the controlling DoD office. Military Standard 1806, "Marking Technical Data Prepared by or for the Department of Defense," dated 1 February 1990, provides detailed guidance.

4. REPORT DOCUMENTATION PAGE: SF 298, "Report Documentation Page," dated February 1989, supersedes DD Form 1473, dated June 1986. DD Form 1473, although obsolete, may be used until supplies are exhausted when SF 298 is unavailable. The report documentation page is used in announcing and cataloging reports.

(a) SF 298 is required by DID-MISC-80711 and will be incorporated into ANSI Z39-18 as an errata sheet until the standard is revised. Then it will replace the report documentation page example that is found on page 8A of the standard. A completed SF 298 is requested for all reports that are DTIC applicable.

(b) The SF 298 is available through normal supply channels for forms distribution as a common stock item. It is stocked by DISA, Code BLXX, Warehouse and Issues Office, for DISA and NCS use.

(c) The SF 298 meets optical scanning requirements. Instructions for completion are given on the reverse side;



however, it is important to read block by block instructions given below, as they have been enhanced so that the form will meet DISA information requirements, as well as those of the DTIC and the National Technical Information Service (NTIS).

5. GENERAL INSTRUCTIONS FOR SF 298 PREPARATION: The report documentation page may be used in lieu of a title page, or it may precede the back cover.

a. It is important that information on this form be consistent with the rest of the report, particularly the cover and title page. The accuracy and completeness of all information provided in the SF 298, especially classification and distribution limitation markings, are the responsibility of the monitoring activity.

b. Because the data input on this form will be what others will retrieve from the DTIC's, and in some cases the NTIS's, bibliographic data bases or may determine how the document can be accessed by future users; care should be taken to have the form completed by knowledgeable personnel.

c. All information should be typed. It is important to stay within the lines to meet optical scanning requirements. Some of the information on the forms (e.g., title, abstract) will be machine indexed. The terminology used should describe the content of the report or identify it as precisely as possible for future identification and retrieval.

d. In accordance with DoD 5200.1-R, Information Security Program Regulation, Chapter IV, Section 2, paragraph 4-200, classification markings are to be stamped, printed, or written at the top and bottom of the form in capital letters that are larger than those used in the text of the document. See also DoD 5220.22-M, Industrial Security Manual for Safeguarding Classified Information, Section II, paragraph 11a(2). The SF 298 should be prepared so that it is unclassified, if possible.

e. It is important to note that unclassified abstracts and titles describing classified documents may appear separately from the documents in an unclassified context; e.g., in DTIC announcement bulletins and bibliographies. This must be considered in the preparation and marking of unclassified abstracts and titles.

6. INSTRUCTIONS FOR SPECIFIC BLOCKS OF SF 298: Detailed instructions for completing each block of the form are given below. Again, please note that it is important to read these instructions, as they have been enhanced so that the form will

meet DISA information requirements, as well as those of DTIC and NTIS.

a. Block 1., Agency Use Only: Leave blank.

b. Block 2., Report Date: Full publication date including day, month, and year, if available (e.g., 1 Jan 93). Must cite at least the year. It is preferable to indicate at least the month and year. Date should agree with issue date as shown on the cover.

c. Block 3., Type of Report and Dates Covered: Indicate whether the report is summary, final, annual, progress, interim, etc. Enter the inclusive dates (e.g., 10 Jun 93 - 30 Jun 94) of the period covered, such as the life of the contract in a final contractor report. It is DISA policy not to send draft reports to DTIC, unless they are accepted as final reports, in which case this should be indicated in Block 11., Supplementary Notes.

d. Block 4., Title and Subtitle: Enter the title exactly as it appears on the report. A title is taken from the part of the report that provides the most meaningful and completed information.

(1) Subordinate the subtitle to the main title. When a report is prepared in more than one volume, repeat the primary title, add volume number, and include subtitle for the specific volume. The title and subtitle should be in capitals and lowercase with a colon, dash or solidus separating the subtitle from the title.

(2) Titles of classified documents, whether classified or unclassified, must be immediately followed by the title security classification in parentheses. A report with a classified title should be provided with an unclassified version if it is possible to do so without changing the meaning or obscuring the contents of the report. Use specific meaningful words that describe the content of the report so that when the title is machine-indexed, the words will contribute useful retrieval terms.

e. Block 5., Funding Numbers: To include contract and program element number(s). May include grant number(s), project number(s), task number(s), and work unit number(s).

(1) Use the following labels for your numbers:

C - Contract	G - Grant	PE - Program Element
PR - Project	TA - Task	WU - Work Unit Accession No.

(2) Enter DISA contract numbers in the following format: C: DCA100-93-C-9999.

(3) The Program Element relates to the DoD budget structure and may be obtained from the fund citation of the funding instrument or from the cognizant Financial Management Office. The Work Unit Accession Number may be obtained from the DD Form 1498 (Research and Technology Work Unit Summary). If this information is not available to the authoring activity, this block should be filled in by the responsible DISA official designated in Block 9. If the document is funded from multiple sources, identify only the Program Element and the Project, Task Area, and Work Unit Numbers of the principal contributor.

f. Block 6., Author(s): Name(s) of person(s) responsible for writing the report, performing the research, or credited with the content of the report. If editor or compiler, this should follow the name(s). Give the name(s) in this order: last name, first name, and middle name. In addition, list the affiliation of the authors if it differs from that of the performing organization. List all authors. If the document is a compilation of papers, it may be more useful to list the authors with the titles of their papers as a contents note in the abstract in Block 13. If appropriate, the names of editors and compilers may be entered in Block 13., as well.

g. Block 7., Performing Organization Name(s) and Address(es): For in-house reports, enter the name of the performing activity. For reports prepared under contract or grant, enter the contractor or the grantee who generated the report and identify the appropriate corporate division, school, laboratory, etc., of the author. Enter the address, including city, state and zip code.

h. Block 8., Performing Organization Report Number: Enter the unique alphanumeric report number(s) assigned by the organization performing the report and whose name appears in Block 7. Each individually bound report should carry a unique alphanumeric designation assigned by the performing organization or provided by the sponsoring organization in accordance with American National Standards ANSI Z39.23-1983, American National Standard for Library and Information Sciences and Related Publishing Practices - Standard Technical Report Number (STRN) - Format and Creation. For registration of a report code contact the NTIS Report Number Clearinghouse, Springfield, VA 22161 (703-487-4896).

i. Block 9., Sponsoring/Monitoring Agency Name (s) and Address(es) Enter the name and address of the organization

responsible for administering or monitoring a project, contract, or grant. In the case of Joint sponsorship, the Monitoring Organization is determined by advance agreement. It can be either an office, a group, or a committee representing more than one activity, service, or agency.

**IMPORTANT NOTE:** Also include the name, telephone number and office symbol of the DISA/NCS person responsible for the accuracy of the completion of this form. This information may be provided in Block 11. if there is insufficient space in Block 9.

j. Block 10., Sponsoring/monitoring Agency Report Number: Enter the unique alphanumeric report number(s) assigned by the Monitoring organization. This should be a number assigned by a DISA, DoD or other government activity. See paragraph 4.j., Block 8., for additional information regarding the assignment of report numbers.

k. Block 11., Supplementary Notes: Enter information not included elsewhere such as: Prepared in cooperation with... ; Trans. of ... ; To be published in... ; Draft report accepted as final; etc. When a report is revised, include a statement as to whether the new report supersedes or supplements the older report. Also use this block to provide the name, telephone number and office symbol of the DISA/NCS person responsible for the accuracy of the completion of this form, when there is insufficient space in Block 9. Precede this information by "Responsible Individual:."

l. Block 12a., Distribution/Availability Statement: Denotes public availability or limitations. Cite any availability to the public. Enter additional limitations or special markings in all capitals (e.g., NOFORN, REL, ITAR). See DODD 5230.24, "Distribution Statements on Technical Documents," and MIL-STD-1806, "Marking Technical Data Prepared By or For the Department of Defense," for additional information.

**IMPORTANT NOTE:** All Scientific and Technical Reports sent to DISA, Code IR, for processing to DTIC that are marked "unclassified/unlimited," should be accompanied by a letter certifying that they have been cleared for public release and sale; to include foreign nationals. This letter is specified by DID DI-MISC-80711 and should be provided to the contractor by the sponsoring/monitoring activity so that it may be included with the report. Procedures to be followed in clearing DISA reports for public release are contained

in DCAI 240-225-1, Clearance of DoD Information for public release.

m. Block 12b., Distribution Code: Leave blank.

n. Block 13., Abstract: Include a brief (Maximum 200 words) factual summary of the most significant information contained in the report. Since the abstract may be machine searched, specific and meaningful words and phrases which express the subject content should be included.

(1) If possible, the abstract of a classified report should be unclassified and consist of publicly releasable information (Unlimited), but in no instance should the report content be sacrificed for the security classification. An unclassified abstract describing a classified document may appear separately from the document in an unclassified context; e.g., in DTIC announcements or bibliographic products. This must be considered in the preparation and marking of unclassified abstracts. For classified abstracts, each paragraph must be preceded by its security classification code in parentheses.

(2) See page 12 of ANSI Standard Z39.18 for guidance in preparing an abstract. Also see ANSI Z39.14 for writing abstracts.

o. Block 14., Subject Terms: Keywords or phrases identifying major subjects in the report. These may be descriptors, keywords, posting terms, identifiers, open-ended terms, subject headings, acronyms, code words, or any words or phrases that identify the principal subjects covered in the report, and that conform to standard terminology and are exact enough to be used as subject index entries. Certain acronyms or "buzz words" may be used if they are recognized by specialists in the field and have a potential for becoming accepted terms. "Laser" and "Reverse Osmosis" were once such terms.

(1) If possible, this set of terms should be selected so that the terms individually and as a group will remain UNCLASSIFIED without losing meaning. However, priority must be given to specifying proper subject terms rather than making the set of terms appear "UNCLASSIFIED." Each term on classified reports must be immediately followed by its security classification, enclosed in parentheses.

(2) For references on standard terminology, the "DTIC Retrieval and Indexing Terminology" (DRIT-1979), AD-A068 500, and the DoD "Thesaurus of Engineering and Scientific Terms" (TEST-1968), AD-672 000, may be useful.

p. Block 15., Number of Pages: Enter the total number of pages that contain information, including-cover, preface, table of contents, distribution lists, partial pages, etc. A chart in the body of the report is counted even if it is unnumbered.

q. Block 16., Price Code. Leave blank.

r. Block 17., Security Classification: Enter U.S. Security Classification in accordance with U.S. Security Regulations. Designate the highest security classification of the report. (See DoD 5220.1-R, Chapters I, IV, VII, XI, Appendix A.)

s. Block 18., Security Classification of this Page: This block must be completed for all reports. Enter applicable security classification. If form contains classified information, stamp classification on the top and bottom of page.

t. Block 19., Security Classification of Abstract: To ensure proper safeguarding of information, this block must be completed for all reports to designate the classification level of the entire abstract. For classified abstracts, each paragraph must be preceded by its security classification code in parentheses.

u. Block 20., Limitation of Abstract: This block must be completed to assign a distribution limitation to the abstract. Enter UL (unlimited distribution), SAR (same as report), or "DTIC users only." An entry in this block is necessary if the abstract is to be limited. If blank, the abstract will be assumed to be unlimited.

6. FOR ASSISTANCE: The DISA Office of the Chief Information Officer, Information Resources Management Division, (Code IR), (703) 696-1915/DSN 226-1915, is available to offer assistance to DISA staff members when requested.

## DD FORM 254

CONTRACT SECURITY CLASSIFICATION SPECIFICATION INSTRUCTIONS  
FOR  
CONTRACTING OFFICERS AND CONTRACTING OFFICERS' REPRESENTATIVES

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The DD Form 254 can be accessed in PerForm or in the warehouse

## REFERENCES

- a. DoD 5220.22-R, Industrial Security Regulation (ISR).
- b. DoD 5220.22-M, Industrial Security Manual (ISM)-
- c. DoD Instruction 5230.24, Defense Technical Information Center.
- d. DoD Directive 0-5207.5, Special Access Programs.
- e. DoD 5200.22-S, COMSEC Supplement to the ISM.
- f. NSA Manual 90-2, COMSEC Material Control Manual.
- g. DoD Directive 5205.2, DoD Operations Security (OPSEC) Program.
- h. Defense Intelligence Agency Manuals (DIAM) 50-3.
- i. DIAM 50-4.
- j. DIAM 50-5, Volumes I and 11.
- k. Director of Central Intelligence Directive (DCID).
- l. DoD 5200.28-STD, DODS DoD Trusted Computer System Evaluation Criteria.



**DEFINITIONS**

**ACCESS:** The ability and opportunity to obtain knowledge of classified information.

**ACCESSES:** Indoctrinations to classified material that have additional security requirements or caveats. This may be SCI or SAP information, or collateral level accesses such as NATO, CNWBI, etc, (AKA as "special accesses").

**CLASSIFIED CONTRACT:** Requires a contractor to have or reasonably be expected to have, access to classified information, or access cannot be prevented by escort.

**CLEARANCE:** One of three levels or categories of classified information also referred to as collateral information:

**CONFIDENTIAL:** The unauthorized disclosure of this information can cause identifiable damage to the national security.

**SECRET:** The unauthorized disclosure of this information can cause grave damage to the national security.

**TOP SECRET:** The unauthorized disclosure of this information can cause exceptionally grave damage to the national security.

**COGNIZANT SECURITY OFFICE (CSO):** The CSO is always the DIS Director of Industrial Security who has industrial security jurisdiction over the geographical area in which the contractor is located. If inspections will be conducted by someone other than the CSO, DIS must be expressly relieved in the DD Form 254, by completing Item 15 as appropriate. Inspections by an Agency other than DIS does not affect the CSO designation and does not relieve the contracting activity from the responsibility of providing a copy of the DD Form 254 to the CSO. When another agency does security inspections vice the DIS they are referred to as the Cognizant Security Agency (CSA).

**MEMORANDUM OF AGREEMENT (MOA):** A formal agreement between agencies or activities to delineate specific functions.

**OWNERSHIP of classified information:** Once information is determined to be classified it belongs to the United States Government and not the contractor regardless of proprietary claims.

**SENSITIVE COMPARTMENTED INFORMATION (SCI):** Information and material that requires special controls for restricted handling

within compartmented intelligence systems and for which compartmentation is established.

**SPECIAL ACCESS PROGRAM (SAP):** Any program approved in accordance with DoD 5200.1-R, Chapter XII, which imposes need-to-know or access controls beyond those normally required for access to Collateral (Top Secret, Secret, and Confidential) information.

**GLOSSARY**

ACDA	U.S. Arms Control and Disarmament Agency
ADP	Automatic Data Processing
AIS	Automated Information System
BZ	Security Division, DISA
BZI	Information Security Branch
BZO	Operations Security
BZP	Personnel Security Branch
BZS	Special Security Branch
CAGE	Commercial and Government Entity
CNWDI	Critical Nuclear Weapons Design Information
CO	Contracting Officer
COR	Contracting Officer's Representative
CSA	Cognizant Security Activity
CSO	Cognizant Security Office
CSSO	Contractor Special Security Office
CVA	Central Verification Activity
DCI	Director of Central Intelligence
DIA	Defense Intelligence Agency
DIAM	Defense Intelligence Agency Manual
DIS	Defense Investigative Service
DISP	Defense Industrial Security Program
DISCO	Defense Investigative Service Clearance Office
DTIC	Defense Technical Information Center
IOM	Interoffice Memorandum
ISM	Industrial Security Manual
FSO	Facility Security Supervisor/Officer
FRD	Formerly Restricted Data
MOA	Memorandum of Agreement
OISI	Office of Industrial Security International
PMO	Program Management Office
RD	Restricted Data
SAP	Special Access Program
SAP CCO	Special Access Program Central Control Officer
SAR	Special Access Required
SARF	Special Access Required Facility
SBI	Special Background Investigation
SCI	Sensitive Compartmented Information

SCIF	Sensitive Compartmented Information Facility
SCG	Security Classification Guide or Guidance
SIOP-ESI	Single Integrated Operation Plan-Extremely Sensitive Information
SPP	Standard Practice Procedure(s)
SSBI	Single Scope Background Investigation

## I. INTRODUCTION

### 1. CLASSIFIED ACQUISITION.

a. Early in the acquisition cycle, certain security requirements must be considered. Will access to classified information be involved? Will access be required during the preaward phase, or will it only be required for actual performance of the contract? Are all the prospective contractors cleared to the appropriate level, and are they equipped to properly safeguard the classified information involved? The answers to these questions and the timeliness of your action will have a significant impact on your acquisition and the Defense Industrial Security Program (DISP).

b. As a part of a contracting activity, you should provide enough lead-time in your acquisition cycle to accomplish the security actions that may be needed. In many instances, advanced planning can ensure that the bid package will not require access to classified information, which precludes processing an entire bidders list for facility security clearance. When access is required in the preaward phase, an interim facility security clearance may be the solution. If access is not a factor in the preaward phase, but will be required for contract performance, only the successful bidder will be processed for a facility clearance. Unnecessary processing of prospective contractors for facility clearances is time consuming, costly and increases the time it takes to process a contractor who actually has a need for a clearance.

c. A "Contract Security Classification Specification," DD Form 254, is required for each classified contract and must be incorporated in the solicitation, and in the contract. Even if preaward access is not required, the DD Form 254 must be incorporated in the solicitation to allow the contractor the information needed for performance. In this event, add the following annotation in Item 13 of the DD Form 254:

"Preaward access is not required. This DD Form 254 reflects the security requirements for the contract when awarded."

d. Review the security requirements during the different stages of the acquisition; preaward, award, research and development, production, etc. Issue a revised DD Form 254 as necessary. On final delivery of goods or services, or on completion or termination of the contract, the contractor is required to return to the User Agency all classified material received or generated under the contract, or to destroy all

classified material, unless retention is requested for a specific period of time and authorized in writing by the Contracting Officer. You must have knowledge of all classified material received or generated under your contract.

e. The DD Form 254, with its attachments and incorporated references, is the only authorized means for providing security classification guidance to a contractor. Security classification guidance should be written as specifically as possible and should include only information that pertains to the specific contract. Any and all documents referenced in a DD Form 254 should be provided to the contractor, either as an attachment or forwarded under separate cover if they are classified. The requirements of the DoD 5220.22-M, Industrial Security Manual (ISM) should not be included in a DD Form 254; the ISM contains safeguarding requirements and procedures, not security classification guidance.

f. Classified information (TOP SECRET, SECRET, CONFIDENTIAL) is, and remains for the duration of the classification, the property of the U.S. Government. It may be provided to private industry only in connection with a bona fide contractual requirement. Prior to a contractor having access to classification information, a Security Agreement (DD Form 441) is executed between the Government and the contractor. This Agreement, among other things, requires the contractor to protect classified information in accordance with the requirements of the ISM, and it requires the Government to specifically identify, in writing, what information will require protection during the contract performance. The ISM provides the contractor with the minimum safeguarding requirements for classified information; it does not provide security classification guidance. The security classification guidance is provided in the body of the DD Form 254 or through attachments. The DD Form 254, with its attachments, supplements, and incorporated references, is the only authorized means for providing security classification guidance to a contractor in connection with a classified contract. The following information provides an explanation of the various items on the DD Form 254 to assist in its preparation.

## II. PREPARING THE FORM

### 2. PREPARATION INSTRUCTIONS FOR THE DD FORM 254:

a. **GENERAL:** This Section contains instructions for preparation of the "Contract Security Classification Specification" (DD Form 254) for classified contracts. The DD

Form 254, with its attachments, supplements, and incorporated references, is designed to provide a contractor with the security requirements and classification guidance needed for performance of a classified contract. However, there are many actions required by the contracting activity in preparation of the DD Form 254. For example, when a contractor will require access to certain types of classified information, the contracting activity must ensure that the contractor has the special procedures in place by verifying this information with the Defense Investigative Service/Central Verification Activity (DIS/CVA), (301-633-4820) or by requesting the Cognizant Security Office (CSO) to establish the procedures at the contractor's facility. The DD Form 254 is not the vehicle for requesting the CSO to establish such procedures; the contracting activity must provide the CSO with a written request and justification for such procedures. The contracting activity is responsible for ensuring that proper security procedures are in place at the contractor facility prior to releasing any classified information to a contractor.

**Reference: Item 10a, b, c, d, g, h, i. Access.** If your contract calls for access to COMSEC, WNINTEL, NOFORN, RESTRICTED DATA (RD), CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI), FORMERLY RESTRICTED DATA (FRD), NATO (NATO-SECRET, COSMIC, ATOMAL), FOREIGN GOVERNMENT, or LIMITED DISSEMINATION information, you must ask the DIS computer operator if the contractor company has access to this type of information, it will not be volunteered.

**b. PREPARING THE DD FORM 254.** The following information corresponds to the items on the DD Form 254. An explanation and other pertinent information is provided for each item on the DD Form 254.

**c. Item 1. CLEARANCE AND SAFEGUARDING.** In Item 1a, insert the highest level of facility clearance required by the contractor for performance of the contract. Use only the words TOP SECRET, SECRET, or CONFIDENTIAL. Special caveats such as RESTRICTED DATA, FORMERLY RESTRICTED DATA, COMSEC INFORMATION, etc., are not appropriate in this item. The contractor must have a valid facility clearance at least as high as the classification indicated in this item. (Verify the contractor's clearance with DIS/CVA if this information is not known.) In Item 1b, insert the highest level of safeguarding capability required by the contractor for performance of the contract. The classification level shown in 1b may not be higher than that shown in Item 1a. If the contractor will not possess classified information at the cleared facility in performing the contract, enter Not Applicable (N/A) or None.

**Items 1a, 1b, 6a and 6b. CLEARANCE AND SAFEGUARDING, CONTRACTOR AND COMMERCIAL AND GOVERNMENT ENTITY (CAGE) CODE.** Verification of a contractor's facility clearance can be made through the Defense Investigative Service (DIS) on 301-633-4820. The DIS computer operator will ask for the company CAGE code. If you do not have the CAGE code, you must give the complete name and address of the company you are verifying. The DIS computer operator will tell you the facility clearance level, the CAGE code, and the safeguarding capability, if any.

d. **Item 2.** Insert "X" in 2a for a prime contract and enter the contract number and expiration date. Insert "X" in 2c for a solicitation (RFQ, RFP, IFB) or other User Agency Program or Project and enter an appropriate identification number. Enter due date for a solicitation as appropriate. 2b is for use by contractors for their subcontractors.

e. **Item 3.** When the original DD Form 254 is issued, insert "X" in 3a and enter date. The date of the original will appear unchanged on each revised or final DD Form 254 issued thereafter. Item 3a applies when a solicitation is issued and when the contract is awarded. When a revised DD Form 254 is issued, insert "X" in 3b, show revision number and enter date of revision. Each time a revision is issued, it shall be given a sequential revision number. When a final DD Form 254 is issued, insert "X" in 3c and enter date. When a final DD 254 is issued, Item 5 is always "YES". A final DD 254 is not required unless the contractor requests an extension of retention authority and approval is authorized by the Contracting Officer.

f. **Item 4 for Follow-on Contracts.** This item pertains to follow-on contracts. The contract must be to the same contractor for the same item or service as the preceding contract. When these conditions exist, enter an "X" in the "YES" box, and enter the preceding contract number in the space provided. This item authorizes the contractor to transfer classified material received or generated under the preceding contract to the current contract. The need for the contractor to notify the User Agency of retention of classified material is eliminated until completion of the follow-on contract. It is assumed that the contractor will require access to the same information for performance of the follow-on contract as was required for the previous contract. If this is not a follow-on contract, enter an "X" in the "NO" box.

g. **Item 5 for Final DD 254.** If a final DD 254 is being issued, enter an "X" in the "YES" box, the date of the contractor's request for retention and the authorized period of



retention in the spaces provided. If this is not a final DD Form 254, enter an "X" in the "NO" box (see 2e above).

h. **Items 6, 7, and 8 for Contractor and CSO.** Enter the name and address of the prime contractor in Item 6a. Enter the contractor's CAGE Code in 6b, and the name and address of the appropriate CSO in 6c. If work is to be performed at a location (of the company) other than specified in 6a, enter the appropriate name and address in Item 8a, the CAGE Code in 8b and the CSO in 8c. DIS will provide the CAGE Code at the time of verification of the facility clearance. The CSO is always the DIS Director of Industrial Security who has jurisdiction over the geographical area in which the contractor is located. No other activity should be shown in this block. Inspections conducted by a User Agency other than DIS does not affect the CSO designation and does not relieve the contracting activity from the responsibility of providing a copy of the DD Form 254 to the CSO. Item 7 is used by a prime contractor when subcontracting. If inspections will be conducted by someone other than the CSO or DIS will be relieved of security cognizance, complete Item 15 as appropriate.

**Item 6c. Cognizant Security Office (CSO).** The appropriate DIS CSO addresses can be found in DoD 5220.22-R, Industrial Security Regulation (ISR), and the ISM.

i. **Item 9 for Procurement Identification.** Enter a short, concise, and unclassified description of the procurement action in Item 9. This may be research, development, production, study, services, etc., such as, research and development of countermeasures techniques or services related to radar equipment, production of countermeasures set, AN/ALQ.

### III. ACCESS REQUIREMENTS WORK SHEET

1. **Access Requirements.** Item 10. THIS CONTRACT WILL REQUIRE ACCESS TO: These items are marked "YES" or "NO" according to the requirements of each contract. An explanation of each item follows. Indicate "YES" with an "X" mark in the blank and then EDIT the statements provided below and place them in Item 13 of the DD 254. DO NOT EDIT ANY STATEMENTS MARKED WITH AN ASTERISK, USE THOSE STATEMENTS EXACTLY AS QUOTED.

10a. **COMMUNICATIONS SECURITY (COMSEC) Information.** If the contractor requires access to any communications security (COMSEC) information, enter an "X" in the "YES" box. COMSEC information includes accountable or non-accountable COMSEC information and Controlled Cryptographic Items (CCI). If accountable COMSEC information is involved, the contractor must

have a COMSEC account and Item 11h would be marked "YES". If "YES", then add:

"Re Item 10a: The requirements and procedures for the protection of COMSEC information are set forth in the COMSEC Supplement to the ISM (DoD 5220.22-S) and the NSA Manual 90-2(U), COMSEC Material Control Manual. The requirements of the COMSEC Supplement to the ISM are imposed on the contractor for safeguarding the COMSEC information. Access to any COMSEC information requires special briefings at the contractor facility. Access to classified COMSEC information requires a final U.S. Government clearance at the appropriate level. Further disclosure of COMSEC information by a contractor, to include subcontracting, requires prior approval of the contracting activity.

Classified paper COMSEC material may be destroyed by burning, pulping or pulverizing. When a method other than burning is used, all residue must be reduced to pieces 5-mm or smaller in any dimension. When classified COMSEC material other than paper is to be destroyed, specific guidance must be obtained from the COMSEC Custodian."

**10b. RESTRICTED DATA.** This item is marked "YES" if access to information which is classified and controlled under the Atomic Energy Act of 1954, or CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI), referred to as RESTRICTED DATA, is required. This item will always be marked "YES" if Item 10c is marked "YES". Access to RESTRICTED DATA requires a final U.S. Government clearance at the appropriate level.

**10c. Critical Nuclear Weapon Design Information (CNWDI).** This item will be marked "YES" if access to CNWDI is required. Special briefings and procedures are also required. Access to CNWDI requires a final U.S. Government clearance at the appropriate level. Permission of the contracting activity is required prior to subcontracting CNWDI.

**10d. FORMERLY RESTRICTED DATA.** This item will be marked "YES" if access to FORMERLY RESTRICTED DATA is required.

**10e. Intelligence Information.** This is information under the jurisdiction and control of the Director of Central Intelligence (DCI) and circulated within the Intelligence Community. If intelligence information is involved, the contracting activity is responsible for ensuring that the additional security requirements outlined in Director for Central Intelligence Directives (DCID), are incorporated in the guidance

provided to the contractor and are tailored to the performance requirements of the contract.

If access to SCI is required, Item 10e(1) and Items 14 and 15 would always be marked "YES". Within the Department of Defense (DoD) the Defense Intelligence Agency (DIA) promulgates guidance and implements the DCID requirements in DIA Manuals (DIAMs). DIAMs are incorporated in the guidance provided to the contractor and are tailored to the performance requirements of the contract. The guidance may be included in the contract document itself but it will be referenced in item 13. The CSO (DIS) does not normally conduct security inspections for Sensitive Compartmented Information (SCI).

If access to non-SCI is required, Item 10e(2) would be marked "YES", Item 14 would be marked "YES", and Item 15 would be marked "NO". The CSO (DIS) is responsible for inspections of non-SCI intelligence information in the possession of a contractor.

In some cases 10e(1) and (2) will both be marked "YES" and thus Item 14 and 15 marked "YES".

Prior approval of the contracting activity, to include coordination with the CSA, is required for subcontracting. Access to intelligence information requires a final U.S. Government clearance at the appropriate level.

**Item 10e(1): Sensitive Compartmented Information (SCI).** Contact the personnel in the DISA Special Security Office (SSO), Code BZS, (703) 692-6993, DSN 222-6993, STU III, for contracts requiring access to SCI material.

When Item 10e(1) is "YES", include the following in Item 13:

"Re Item 10e(1):

1. This contract requires access to Sensitive Compartmented Information (SCI). The CSO (DIS) is relieved of responsibility for all SCI material and information released to the contractor under this contract.

- a. The Director, Defense Intelligence Agency (DIA) and Director, Defense Information Systems Agency (DISA), as the executive agent for DIA, has exclusive security responsibility for SCI information released to the contractor or developed under this contract.

b. Defense Intelligence Agency Manuals (DIAMS) 50-3, 50-4, and 50-5, Volumes I and II, provide the necessary guidance for SCI security measures to supplement the ISM and are hereby applicable security specifications for this contract.

c. DIS retains responsibility for all non-SCI classified material released to or developed under this contract and held within the contractor's SCIF.

2. Contractor generated or Government furnished material may not be provided to the Defense Technical Information Center (DTIC). Contractor generated technical reports will bear the statement, "Not Releasable to the Defense Technical Information Center per DoD Instruction 5230.24".

3. All contractor personnel requiring access to SCI information must: be U.S. citizens; have been granted a final Top Secret security clearance by the Government; have been approved as meeting DCID 1/14 criteria by a Government cognizant authority; and have been indoctrinated for the applicable compartments of SCI access prior to being given access to such information released or generated under this contract. Immigrant aliens, interim cleared personnel or personnel holding a contractor granted CONFIDENTIAL clearance are not eligible for access to classified information released or generated under this contract without the expressed permission of the Director DISA (SSO) and the Director, DIA.

4. Classified material released or generated under this contract is not releasable to foreign nationals without the express permission of the Director DISA (SSO) and Director, DIA.

5. Recipients of SCI information under this contract may not release information to subcontractors without permission of SSO DISA.

6. Unclassified information under this contract may not be released to subcontractors without permission of the CO and coordination with SSO DISA.

7. STU-III terminals installed at contractor facilities shall be supported by a COMSEC account (of the contractor or DISA). (Pick one). STU-IIIs in SCIFs require Class VI CIK."

If Item 10e(1) is "YES", the following statement must be included in Item 12:

"No public release of SCI is authorized."

If Items 10e(1) and/or 10f are "YES", add:

"Re Item 10e(1) and/or 10f: The contractor shall maintain a Standard Practice Procedures (SPP) for both the facility and AIS that have been approved by the CSO/CSA to implement the security requirements for this contract. The procedures shall establish guidelines and implementing instructions on how the contractor shall protect the security of the project during all phases of the effort. These procedures shall be based on the DoD ISM as supplemented by Special Access Program manuals, directives or regulations and shall explain all aspects of project security as they apply to the specific contractor facility. The SPP shall be kept current and updated as necessary to meet changing project requirements. Prior to implementation, the SPP shall be approved by the SSO DISA. The SPP shall be classified according to content based on the DoD classification guide(s) provided through the SSO as part of this contract.

If Item 10e(1) and 11a is "YES", then Items 11b and 11c are "NO", and the following must be included in Item 13:

"Re Item 10e(1) and 11a: All contractor SCI work and access will be at a designated Government approved SCI Facility (SCIF)."

The COR will coordinate with SSO DISA to identify the SCIF and initiate any Memorandums of Agreement (MOA) as required.

Item 10e(2): Non-SCI intelligence information. This item is marked "YES" only if access is required to material marked:

WARNING NOTICE--INTELLIGENCE SOURCES OR METHODS INVOLVED (WNINTEL),

DISSEMINATION AND EXTRACTION OF INFORMATION CONTROLLED BY ORIGINATOR (ORCON),

NOT RELEASABLE TO FOREIGN NATIONALS (NOFORN),

AUTHORIZED FOR RELEASE TO (name of country(ies) or international organizations) (REL).

NOT RELEASABLE TO CONTRACTORS/CONSULTANTS (NOCONTRACT)

10f. Special Access Program (SAP) Information. This means a Special Access Program (SAP) or code word program that has been

approved by the Head of a User Agency. (Ref: DoD Directive 0-5207.5) When this item is marked "YES", the contracting activity is responsible for providing the contractor with the additional security requirements needed to supplement the ISM requirements and ensure adequate protection of the SAP information involved. They may be included in the contract document itself but will be referenced in item 13. Item 14 would be marked "YES", and Item 15 will be completed as appropriate. Prior approval from the contracting activity is required, to include coordination with SSO DISA/SAP Central Control Officer (CCO), prior to subcontracting. Access to SAP information requires a final U.S Government clearance at the appropriate level identified in the SAP Security Plan/Directives.

**Item 10f: Special Access Program Information.** All DD Form 254 requiring SAP access will be coordinated with and processed through the SSO DISA, SAP Central Control Officer.

If Item 10f is marked "YES" include the following statement:

"Re Item 10f:

To execute this contract, additional security requirements in addition to DoD 5220.22-M will be required. The contractor shall comply with the security provisions of these programs. Marking and/or classification guidance for material originated or generated under this contract will be provided through the SSO DISA or BZS SAP CCO under separate cover.

Any material generated by the contractor (including correspondence, drawings, models, mockups, photographs, schematics; progress, special and inspection reports; engineering notes and computations and training aids) shall be classified according to its own content. Guidance for classification shall be derived from the applicable Security Classification Guide(s) (SCG), Government furnished equipment or data, or special instructions. Such material shall not contain contractor logos or similar identifiers which would identify the specific contractor or team members."

**NOTE:** Only include the below listed information if item 10e(1) is "NO" and 10f is "YES".

"Re Item 10f: Contractor Special Security Officers (CSSOs) shall coordinate with the SSO DISA/BZS SAP CCO prior to subcontracting any portion of the contract.

All contractor personnel requiring access to SAP information must be: U.S. citizens; have been granted a final Top Secret security clearance by the Government; have been approved as meeting DCID 1/14 criteria by a government cognizant authority; and have been indoctrinated for the applicable SAP prior to being given access to such information released or generated under this contract. Immigrant aliens, interim cleared personnel or personnel holding a contractor granted CONFIDENTIAL clearance are not eligible for access to classified information released or generated under this contract without the express permission of the Director DISA (SSO).

Contractor generated or government furnished material may not be provided to the Defense Technical Information Center (DTIC). Contractor generated technical reports will bear the statement, "Not Releasable to the Defense Technical Information Center per DoD Instruction 5230.24".

**NOTE:** When Item 10f is "YES" add the following in item 13 as Item 11c continued:

"Re Item 10f and Item 11c: This contract is to be performed in a facility approved through the SSO DISA in accordance with applicable SAP security requirements. The CSO (DIS) may be relieved of security cognizance for the SAP by the SSO DISA and/or the SAP Program Management Office (PMO) who will have responsibility for all SAP material for information released to the contractor under this contract."

**AND:** If Items 10e(1) and/or 10f are "YES," add:

"Re Items 10e(1) and/or 10f: Upon expiration of the contract the contractor shall request disposition instructions for all classified and unclassified project material. The contractor may be directed to properly destroy the material or return it.

Contractor requests to retain classified material after expiration shall be directed to the Contracting Officer (CO) and shall clearly indicate the justification for retention and the period of time retention is necessary.

If classified or unclassified project material is to be retained by the contractor, every effort should be taken to transfer it to a follow-on contract or similar effort, if applicable. This must be done however, with CO(s) approval.

Unless written authorization by the CO to retain specific material for a specific period of time is received, the material will be returned or destroyed as instructed.

Any exception to security policy shall be referred to the CSA/SSO DISA for coordination with the appropriate agencies and the Contracting Officer."

**10g. NATO Information.** This means information or documents belonging to, and circulated by the North Atlantic Treaty Organization (NATO). Access to NATO information requires a final U.S. Government clearance at the appropriate level.

**10h. Foreign Government Information.** This item includes any foreign government information except NATO. Prior approval of the contracting activity is required for subcontracting. Access to classified foreign government information requires a final U.S. Government clearance at the appropriate level.

**10i. Limited Dissemination Information (LIMDIS).** This means restrictive controls established by an Original Classification Authority (OCA) to emphasize need-to-know protective measures available within the regular security system. Contracts which involve LIMDIS controls do not qualify for carve-out status. Any restrictions on subcontracting will be included in the contract. When this item is marked "YES", Item 14 will be marked "YES", and Item 15 will be marked "NO". Specific guidance is required to be provided to the contractor in or referenced in Item 13.

Contractors with **RECIPROCAL CLEARANCES** are denied access to **RESTRICTED DATA, FORMERLY RESTRICTED DATA**, Canadian "Classified Atomic Energy Data," **COMSEC** information, U.S. Arms Control and Disarmament Agency (ACDA) classified information, **NOFORN**, **TOP SECRET** and **SAP** or **SCI** information.

**10j. For Official Use Only Information (FOUO).** This item is applicable only in a classified contract. When this item is marked "YES", the contracting activity is responsible for providing the contractor with the safeguards and procedures necessary for protection of the information. ISM, Chapter 13, Section 6, contains DoD requirements for protection of FOUO information. If the guidance contained in the ISM is appropriate for safeguarding the FOUO information provided to the contractor in connection with a classified contract, the following statement should be added in Item 13 to that effect.



- \* "Re Item 10j: For Official Use Only Information provided under this contract shall be safeguarded as specified in ISM, Chapter 13, Section 6."

NOTE: Non-DoD User Agencies that use other terms similar to DoD's FOUO are responsible for providing appropriate guidance to the contractor for their information requiring protection from automatic public disclosure. The guidance in the ISM may be used or adapted as necessary by the User Agencies; however, the guidance is only appropriate in a classified contract.

**10k. Other.** (Specify) Use this item for any other information not included in 10a through j. Specify the type of information and include any additional remarks needed in Item 13.

**10k. SIOP-ESI.** Use the 10k block OTHER if the contract involves employees requiring SIOP-ESI access, the words SIOP-ESI will be entered and checked "YES".

The following will be an attachment to the DD Form 254 or incorporated into said form:

- \* "Re Item 10K: This contract requires that specified contractor employees be granted access to SIOP-ESI (Single Integrated Operational Plan - Extremely Sensitive Information). Employees requiring SIOP-ESI access will be processed as follows:

a. The DISA COR will forward to BZP via an IOM a request to process certain employees of the company for SIOP-ESI access. The request will be marked with appropriate markings (i.e., FOUO, Privacy Act Protected, etc.) and/or classified as may be required by security classification guidance (e.g., Justification). This request will contain the following:

- (1) Name and Social Security Account Number of the employee(s)
- (2) Company and address
- (3) Date and place of birth for the employee(s)
- (4) Citizenship of the employee(s)
- (5) Citizenship of the employee(s)' spouse(s)
- (6) SIOP-ESI Category required

- (7) Date of Top Secret clearance(s) and SBI date(s)
- (8) Inclusive dates SIOP access will be required
- (9) Contract number
- (10) Contract expiration date
- (11) Contract review date
- (12) Justification for requesting SIOP-ESI access

b. BZP will forward a letter to certify the Need-to-Know for SIOP-ESI access to the Facility Security Office at the company via DISA Form Letter 16.

c. When temporary SIOP-ESI access has been approved by JCS, BZP will forward this information to the FSO and authorize the employee to be briefed for access.

d. The FSO is responsible for notifying BZP when the employee is transferred from one facility to another within the company.

e. The FSO is responsible for notifying BZP when the employee is terminated from employment, has resigned from employment, or has been transferred to duties not requiring access.

f. The FSO is responsible for ensuring that the employee complete the following required security forms for submission to DISCO in a timely manner;

- \* DD Form 398 - Completed on subject of investigation
- \* DD Form 398-2 - Completed on spouse
- \* 2 FM 258s - Fingerprint cards
- \* DD Form 1879 - Not required for initial investigations. Must be completed for updating investigations, item #20 must be signed by individuals' supervisor

g. Information that an individual has been granted access to SIOP-ESI is unclassified."

**NOTE:** The access requirements listed above are included as part of the form because they are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate "NO" for all of them, add in Item 10k: "See Item 13" and include appropriate statements in Item 13.

**IV. PERFORMANCE REQUIREMENTS WORK SHEET**

1. **Item 11 for Performance Requirements:** These items are marked "YES" or "NO" according to the requirements of each contract. In performing this contract, the contractor will: (Explanation of individual items).

**11a. Have access to classified information only at another contractor's facility or at a Government Activity. Note the word ONLY.** This means that there will be no access to classified information at the contractor's facility. The contractor will not be required to have any safeguarding capability at its facility and Item 1b would be marked N/A or None. If the "YES" box is marked for this item, add the following annotation in Item 13:

"Re Item 11a: Contract performance is restricted to (enter name and address of contractor facility or government activity). The using contractor or government activity will provide security classification guidance (SCG) for the performance of this contract."

**11b. Receive classified documents only. Note the word ONLY.** This means the contractor will receive classified documents and will not generate classified information that will require detailed classification guidance. The classification markings shown on the documents received will provide the necessary security classification guidance. Add the following annotation in Item 13:

"Re Item 11b: Any classified information generated in performance of this contract shall be classified according to the markings shown on the source material."

**11c. Receive and generate classified information.** This means the contractor is expected to receive and generate classified information (documents and/or hardware) and will require detailed SCG for performance of the contract.

a. If the "YES" box is marked for this item, detailed SCG must be provided to the contractor. The guidance may be included or referenced in Item 13, attached to the DD 254, forwarded under separate cover, or included in the contract document itself. Statements, as appropriate, shall be included in Item 13 to direct the contractor to the guidance for the contract.

b. If this item is marked "YES", the contractor will be required to prepare an ADP/Standard Practice and Procedures for

their ADP operations and the system will require approval of the CSO/CSA in accordance with Section 13-4-1, ISM.

**11d. Fabricate, modify, or store classified hardware.** If "YES, include as much information as possible (additional information can be added in Item 13) to indicate if Restricted or Closed Areas will be required. How much hardware is involved? How large? If more than 2 cubic feet of storage is required, contact the CSO to verify storage capability at the contractor facility.

**11e. Perform services only.** "YES" in this item will require a statement in Item 13 to explain the services and to provide appropriate guidance. Sample statements are given below. For service-type contracts not covered, add any appropriate statement in Item 13 that explains why the contract is a classified contract and provide guidance as necessary to ensure protection of the classified information.

(1) If Graphic Arts Services, add the following statement in Item 13:

"Re Item 11e: Reproduction services only. Classification markings on the material to be reproduced will provide the classification guidance necessary for performance of this contract."

(2) If Engineering Services, add the following statement in Item 13:

"Re Item 11e: Contract is for engineering services. Classification markings on the material to be furnished will provide the classification guidance necessary for performance of this contract."

(3) If Equipment Maintenance Services, add the following statement in Item 13:

"Re Item 11e: Contract is for equipment maintenance services on equipment which process classified information. Actual knowledge of, generation, or production of classified information is not required for performance of the contract. Cleared personnel are required to perform this service because access to classified information cannot be precluded by escorting personnel. Any classification guidance needed will be provided by the using activity."

(4) If Guard Services, add the following statement in Item 13:

"Re Item 11e: Contract is for Guard Services. Cleared personnel are required to perform this service."

11f. Have access to U.S. classified information outside the U.S., Puerto Rico, U.S. Possessions and Trust Territories. If "YES", indicate city and country of overseas performance in Item 13. Item 14 may be "YES" and should be completed if appropriate. A copy of the DD Form 254 must be provided to Office of Industrial Security, International (OISI) or other U.S. activity responsible for overseas security inspections.

11g. Be authorized to use the services of Defense Technical Information Center (DTIC) or other secondary distribution center. "YES" in this item means the contractor is authorized to use the services of DTIC and will require the contractor to prepare and process a DD Form 1540 and DD Form 1541. The contracting activity will be involved in certifying need-to-know to DTIC.

The COR must certify the need-to-know if this block is marked "YES". Add the following to Item 13:

- \* "Re Item 11g: The contractor must prepare and forward DD Form 1540 and DD Form 1541 to the COR for authorization BEFORE the services may be requested.

Technical information on file at the Defense Technical Information Center (DTIC) will be made available to the contractor if the contractor requires such information. The contracting officer will certify the field of interest relating to the contract."

11h. Require a COMSEC Account. If accountable COMSEC information will be provided to the contractor, enter an "X" in the "YES" box. If non-accountable COMSEC information is involved, enter an "X" in the "NO" box.

Item 11h: COMSEC Accounts. Contact the DISA COMSEC Custodian, BZS, 692-5165, before marking "YES" on this item. If "YES" is appropriate, add the statement referenced in 10a. above. Item 11k "Be authorized to use the Defense Courier Service" must also be marked "YES" if the contractor has need for a COMSEC account.

11i. Have TEMPEST Requirements. TEMPEST requirements are in addition to the requirements of the ISM. If "YES" in this item, Item 14 must also be "YES" and the pertinent contract clauses identified or appropriate information added in Item 13.

Item 11i: TEMPEST Requirements.

(1) This item will be marked "YES" only if processing classified information will be required at the contractor's facility. This includes ADP as well as word processing equipment. It does not apply if the contract is for maintenance service on ADP equipment or when the contractor will be performing the work at a User Agency or another cleared facility.

(2) If this item is marked "YES," and the contractor will be processing COLLATERAL level classified information at the contractor facility, an ADP/Standard Practice and Procedures for their ADP operations must be prepared and the system will require approval of the CSO in accordance with Section 13-4-1, ISM.

(3) If "YES" include the following statements in Item 13, if the contractor will be processing only COLLATERAL level classified information at the contractor facility.

- \* "Re Item 11i: The contractor shall not process classified information by electrical means prior to a DISA TEMPEST evaluation of the equipment/systems and facility, and written DISA certification that the facility meets DISA TEMPEST criteria. In order to expedite the DISA TEMPEST evaluation, the contractor shall provide a list of equipment, to include model number, that is associated with processing classified information. In addition, the estimated percentage of classified information processed, cable/conduit runs, a floor plan layout that depicts placement of equipment in relation to other equipment and telephones will be furnished. The drawing(s) are to show dimensions of rooms, physical relation to other rooms, equipment distances from walls or uncontrolled areas, and physical security being afforded the equipment both during processing and after hours.

The above TEMPEST evaluation and DISA approval will not be required if previous DISA approval can be furnished and is no more than two years old. The existing approval must be for processing information of the same or higher level security classification and for the same facility and items of equipment."

(4) Include a statement in Item 13 similar to the following if SCI and/or SAP material is involved.

"Re Item 11i and 10e(1) or 10f: The contractor will not process classified information by electrical means prior to a TEMPEST evaluation of the equipment/systems and facility, and written DISA certification that the facility meets DISA TEMPEST criteria. In order to expedite the TEMPEST

evaluation, the contractor shall provide a DIAM 50-5, Vol I, Enclosure 13. The enclosure will include a floor plan layout that depicts placement of equipment in relation to other equipment, telephone lines and instruments, cable/conduit runs, etc. The drawing(s) are to show dimensions of rooms, physical relation to other rooms, equipment distances from walls or uncontrolled areas, and physical security being afforded the equipment both during processing and after hours.

A previous DISA approval may be furnished provided it is not more than two years old. The approval must be for processing information of the same or higher level security classification and for the same facility and items of equipment."

**11j. Have Operations Security (OPSEC) Requirements.** OPSEC requirements are in addition to the requirements of the ISM. If "YES" in this item, Item 14 must also be "YES" and the pertinent contract clauses identified or appropriate information added in Item 13. The contracting activity will be involved in approving OPSEC requirements for subcontracts. Contact BZO, 746-5506 and the CSA for additional information.

**Item 11j: OPSEC requirements.** Pending revision of DoD Directive 5205.2, DoD Operations Security (OPSEC) Program, CORs will continue to comply with the Directive dated 7 July 1983 and the ISM.

**11k. Be authorized to use the Defense Courier Service (DCS).** This item authorizes the contractor to use the services of DCS. If this item is marked "YES", the contracting activity requests DCS services from the Commander, Defense Courier Service, ATTN: Operations Division, Fort George G. Meade, MD 20755-5370. Only certain classified information qualifies for shipment by DCS. It is the responsibility of the contracting activity to comply with DCS policy and procedures. This item must be marked "YES" if Item 11h "Require a COMSEC Account" is marked "YES."

**11l. Other (Specify).** Use this item to add any additional performance requirements not covered above. Item 13 should be appropriately annotated to provide any necessary remarks.

**NOTE:** The performance requirements listed above are included as part of the form because they are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate "NO" for all of them, add in Item 11l: "See Item 13," and include appropriate statements in Item 13.



# **V. DISTRIBUTION, SECURITY GUIDANCE, INSPECTIONS AND CERTIFICATIONS**

**Item 12: Public Release.** If desired or required by the nature of the contract, mark the "Through" box and add the address of the Original Classification Authority for the information. If multiple sources are used to classify the information required under this contract, use your address.

## **Item 12 for Public Release.**

a. For unclassified and collateral information: The contractor is responsible for obtaining the approval of the contracting activity prior to release of any information received or generated under the contract, except for certain types of information authorized by the ISN. Complete this item as required by internal agency directives to direct the contractor to the office in the User Agency that should receive proposed public releases.

b. If access to SCI or a SAP is required: (Item 10e(1) or 10f is "YES"), include the following:

"No public release of SCI/SAP is authorized."

**X Item 13 for Security Guidance.** This is the most important part of the entire DD Form 254. If the contractor does not classify the material correctly, it can directly affect the national security. Use this item to identify applicable guides, to provide narrative guidance which identifies the specific types of information to be classified, to provide appropriate downgrading or declassification instructions, to provide any special instructions, explanations, comments or statements required for information or to clarify any other items identified in the DD Form 254.

a. Each contract is unique in its performance requirements. Give reasons for the classification. Write the guidance in plain English. Use additional pages as necessary to expand or explain the guidance. Additional pages will contain a heading identifying the contractor's name, contract #/RFP/RFO/IFB, date and revision number.

b. The DD Form 254, with its attachments and incorporated references, is the only authorized means for providing SCG to a contractor. It should be written as specifically as possible and it should include only that information that pertains to the contract for which it is issued.

c. The requirements of the ISM or its supplements should not be extracted and included in a DD Form 254; the ISM provides safeguarding requirements and procedures for classified information, not SCG. SCG provides detailed information that relates what information requires classification, what level of classification to assign, and the downgrading or declassification instructions that apply to the information or material generated by the contractor in the performance of the contract.

d. It should not contain references to internal agency directives and instructions. If such documents provide guidance applicable to the contract, the pertinent portions should be extracted and provided as attachments. Any and all documents referenced or cited in Item 13 should be provided to the contractor, either as attachments or forwarded under separate cover if they are classified.

e. The following are some of the questions that should be asked when preparing security classification guidance for a contract. Put yourself in the contractor's place and try to determine what guidance will be needed to properly protect the classified information that will be furnished or generated under the contract.

(1) What classified information will the contractor need in the performance of this contract?

(2) What SCG will the contractor need to protect the classified information? Is there an existing security classification guide for the program/project? What portion of the security classification guide applies to this contract? All or part? Are there other security classification guides which may provide guidance that will assist the contractor?

(3) Will classified hardware be furnished to or generated by the contractor? What information makes the hardware classified? Will hardware being generated require classification? At what stage in its production does it become classified?

(4) What unique characteristics are involved that need protection? Are there design features which require protection? What technical information requires protection? What breakthroughs would be significant if achieved in an R&D effort? Are there some performance limitations that require protection? Deficiencies in a system or vulnerabilities may require classification.

f. It is a difficult task to prepare SCG that covers all of the performance requirements of a classified contract. It is an even more difficult task to prepare guidance that can be understood and implemented by the contractor. Encourage the contractor to assist in the preparation of the SCG, if at all possible, and to provide comments and/or recommendations for changes in the SCG that have been provided. Only through effective communication with the contractor can you achieve SCG that is understandable and will ensure the proper classification and protection of the information generated in the performance of the contract.

g. **General Information.** The following statements will always be added to item 13, when applicable:

"Classified Visit Requests by contractors shall be forwarded to the COR for approval and need-to-know certification before being sent to the facility to be visited.

The COR must be notified and approve the receipt and/or generation of classified information under this contract."

**Items 14 and 15: Additional Security Requirements and Inspections.** Contact personnel in SSO DISA, 703 692-6993, DSN 222-6993, if you have questions about these Items as they apply to SCI or SAP information.

**Item 14 for Additional Security Requirements.** If this item is "YES," then requirements are imposed on a contractor that are in addition to the requirements of the ISM or its Supplements. This item requires the contracting activity to incorporate the additional requirements in the contract document itself, or to incorporate the additional requirements by statements or reference in Item 13.

a. Attendant costs incurred due to additional security requirements are subject to negotiation by, and reimbursement to, the contractor and are the responsibility of the contracting activity imposing the additional requirements.

b. A copy of the additional security requirements shall be provided to the Cognizant Security Office (CSO)/Authority (CSA).

**Item 15 for Inspection Information.** This item applies when the CSO is relieved of inspection responsibility in whole or in part. A "YES" in this item requires the contracting activity to provide information on the specific areas carved-out from DIS cognizance and to identify the activity responsible for

inspection. A copy of the DD Form 254 must be provided to the appropriate CSO or to DIS HQ.

a. **Item 16 for Certification and Signature.** Item 16 shall contain the name, title, telephone number, address and signature of the Procuring Contracting Officer (CO) certifying that the requirements are complete and adequate for performance of the classified effort.

b. **Item 17 for Required Distribution.** The DD Form 254 is a contractual document and should be distributed with the contract document to all addressees by the Procuring Contracting Office. If the Statement of Work (SOW) is a separate document it will be available to or a copy given to SSO DISA for all contracts requiring SCI and SAP access.

It is essential that the DD Form 254 be distributed, as a minimum, to those shown in this item and those listed on the DISA Form 173.

Item 17f will always be marked with an "X", and the following instruction typed next to OTHERS AS NECESSARY

**"SEE DISA FORM 173"**

DISA FORM 173 (E): This form will be attached to all DISA DD Forms 254. The Contracting Officer and the Contracting Officer's Representative must complete Blocks I through 14. A new form will be completed whenever there is a change in CO/COR and the new form distributed to all recipients of the DD Form 254.

Add the following to Item 15 of DISA Form 173:

**-REQUIRED DISTRIBUTION:**

(Place an "X" in front of each office that must coordinate on this DD Form 254.)

g. BZI. **INFORMATION SECURITY BRANCH:**  
(Include on all DD Forms 254)  
703 692-6989.

h. BZS. **SPECIAL SECURITY BRANCH:** SSO DISA  
(The COR may need to personally  
coordinate with the BZS staff.) 703  
692-6593

SCI Access(es)\_\_\_\_; Billets\_\_\_\_; Documents\_\_\_\_.  
SAP (SAP CCO) Access(es)\_\_\_\_; Billets\_\_\_\_; Docs\_\_\_\_.  
COMSEC Account Number\_\_\_\_; STU III\_\_\_\_\_.

Defense Courier Service (DCS) Acct\_\_\_\_\_  
Courier Cards DD Form 2501 (SCI/SAP)\_\_\_\_\_.

- i. BZP (SIOP-ESI information) 703 692-6988.
- j. BZO (OPSEC) 703 746-5506/CSA.
- k. DIP: (Collateral TEMPEST Information  
Include in distribution on all DISA DD  
254s requiring classified automated data  
processing or word processing (including  
electric typewriters) EXCEPT those with  
only SCI or SAP access requirements.) 703  
696-1743

DD FORM 448, MILITARY INTERDEPARTMENTAL PURCHASE REQUEST (MIPR)

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DD FORM 448, MILITARY INTERDEPARTMENTAL PURCHASE REQUEST (MIPR)  
(WITH DISA OVERLAYS)

1. PURPOSE.

a. Document accounting classification codes for services provided and/or a contract awarded by another Department of Defense activity;

b. Document accounting classification code changes for services provided and/or, a contract modifications awarded by another Department of Defense activity;

c. Document the FMO's review and determination that funding is proper and available; and

d. Certify the availability of funds by the appropriate DISA certification officer.

2. APPLICABILITY INSTRUCTIONS. This form is completed when the work is to be performed and/or a contract to be awarded by a Military Department or Defense Agency or Activity other than DISA.

3. COMPLETION INSTRUCTIONS.

<u>BLOCK</u>	<u>EXPLANATION</u>
1	Project/Action Officer completes - self explanatory.
2 and 3	Leave blank.
4	DISA certification official in block 15 completes - This is normally the date that the MIPR is mailed by DISA Accounting and Finance Division to the receiving activity.
5	Project/Action officer completes-MIPR number is the purchase request number identified on the DISA Form 1A, block 1A.
6	Leave blank.
7	Project/Action officer completes-IMPORTANT NOTE: THIS ADDRESS

MUST BE THE APPROPRIATE RECEIVING ACTIVITY FINANCE OFFICE (NOT THE RECEIVING ACTIVITY PROJECT OFFICER). When in doubt about which address to use, contact the FMO or Code CPA for advice.

- |                                   |   |
|-----------------------------------|---|
| 8                                 | DISA overlay - no action required - already completed;  |
| 9a                                | Project/Action officer completes - Item No. number the services/items consecutively                                   |
| 9b                                | Project/Action officer completes - Description provide a short description for each item number.                      |
| 9c thru 9f                        | Project/Action officer completes - Itemize if services are subdivided and funded as such.                             |
| "PROJECT OFFICER"<br>DISA overlay | Project/Action officer completes - type name, commercial phone number, and DSN number.                                |
| "FMO SIGNATURE"<br>DISA overlay   | FMO completes - self explanatory.   |
| 10                                | No action required on face of form.   |
| 11                                | FMO (or as specified by the DISA activity) completes - self explanatory.  |
| 12                                | Leave blank.  |
| 13                                | DISA overlay - no action required - already completed.  |
| 14                                | FMO (or as specified by the DISA activity) completes - fill in accounting classification codes and when funds expire. |
| 15                                | DISA overlay - no action required - already completed.  |
| 16 and 17                         | DISA certification official completes - Signature and Date - self explanatory.  |



DD FORM 1262, ADMINISTRATIVE SERVICE REQUEST

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DD FORM 1262, ADMINISTRATIVE SERVICE REQUEST

1. **PURPOSE:** Requisition supplies and services and to document accounting classification codes for ARC/Non-ARC acquisitions acquired through the Defense Supply Service-Washington (DSS-W). The DD Form 1262 is processed through the applicable DISA Service Center; e.g., BN.

2. **PROCEDURES.**

(a) Complete the boxes labeled:

Date Submitted  
Fax Number  
Activity  
poc and telephone number  
unit price  
total price  
fund cite  
fund amount  
description (complete by stating the contract number  
e.g., MDA903-93-D-0061 for CIM DoD Data Architecture and Data  
Model Refinement and Maintenance  
signature of financial management officer and date  
signed.

(b) Under the heading, "Description", state "See Attached Statement of Work" (and attach the statement of work), the DSS-W point of contact and telephone number and the name of DISA's contracting officer's representative and telephone number.

(c) In the box labeled "suggested source", list the name of the source and entire address (street, city and state).

(d) In the box labeled "destination address", list the address and telephone number of the the DSS-W point of contact.

(e) The box labeled "supply coordinator signature" and the box labeled "fiscal officer signature" are to be signed by supply and accounting personnel.

3. Check with the applicable DISA Service Center if further information or documentation is required.

DD FORMs 1423, 1423-1, 1423-2, CONTRACT DATA REQUIREMENTS LIST

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DD Form 1423, DD Form 1423-1, and DD Form 1423-2 can be found in the warehouse

ACQUIRING DATA DELIVERABLES  
(DD Form 1423, Contract Data Requirements List)

1. The term "data" refers to recorded information, regardless of form or characteristics, which is required to be delivered by a contractor. Data requirements shall be established based on the intended use of the data with consideration of the immediate planned and probable future use of the system, material, or service to which the data relate. Data provides visible evidence to the DoD, the Congress and the taxpayers. It is acquired to maintain visibility, to control the program, to make decisions, and to define the design. Care must be taken to ensure that appropriate data requirements are established. Too much data may be costly and useless, while insufficient data can have a negative impact on future operations, maintenance, and logistics support of equipment.

2. Use of the Contract Data Requirements List (CDRL), DD Form 1423. Several rules govern the contractual acquisition of data deliverables. Data must be set forth in the contract in a very specific way if the contract amount is more than \$25,000. With the exception of data specifically required by Section 52.2 of the FAR or DFARS or specifically excepted by Section 227.475-1 of the DFARS, all deliverable data must be listed on the CDRL. The CDRL provides a single place in the contract which directs the contractor to prepare and deliver data and to meet specific approval and acceptance criteria. Two important rules stressed by an experienced data-management instructor are:

a. Rule Number 1: Do not specify data, data delivery, or data generation in the statement of work. The function of the Statement of Work is not principally concerned with data deliverables. Deliverable data is a by-product of a task to be performed by the contractor in compliance with the identifiable data need specified on the CDRL. Block 5, "Contract Reference" should be filled out so that every data requirement can be cross referenced to its appropriate task that must be performed in order to generate the data.

b. Rule Number 2: Do not specify work efforts on the CDRL. The CDRL specifies the delivery of data and in itself does not require any development of data. The statement of work is the only method by which the work effort is levied on the contractor and from which the data are derived. A CDRL becomes a contractually binding instrument by virtue of being specified as a deliverable line item in the contract. A contractor must respond to and submit an estimated price for each data requirement listed on the CDRL.

3. Data format and content are established by data acquisition documents (usually Data Item Descriptions (DIDs)) which, with the exception of one-time DIDs, are approved and given OMB clearance by the Defense Quality and Standardization Office. DIDs (DD Form 1664) define the data required to be delivered by a contractor. They describe deliverable content, preparation instructions, format, intended use, and other source documents that may be used to describe the data to be delivered.

4. The CDRL establishes data required, delivery characteristics, describes the degree of tailoring to the DID, identifies points for inspection and acceptance, designates any interim approval requirements, and reflects the price of the data, by DID.

5. The primary purpose for CDRL'S and DID'S is to:

a. Minimize and standardize the types and kinds of data requirements,

b. Eliminate redundancies and contradictions in data requirements, and

c. Identify and fill voids in documentation (such as those resulting from technology changes).

6. To request the delivery of data:

a. Prepare a DD Form 1423 (CDRL) to accompany the acquisition request when the proposed contract overall estimate is estimated to be more than \$25,000. Data requirements may be specified in the specifications/statement of work (SOW) if the overall contract amount is less than \$25,000.

b. Specify the CDRL exhibit as a deliverable line item in the contract.

c. List data to be acquired by a contract on the CDRL by referencing approved data acquisition documents, such as DIDS, in Block 4.

7. The first step in developing a CDRL is to identify the various data requirements, such as monthly progress reports, funds expenditure reports, documents for automated information systems, or final technical reports.

8. The next step is to check DoD 5000.19-L, the Acquisition Management Systems and Data Requirements List (AMSDL) to determine if a currently approved DID sufficiently describes your

data requirement. The AMSDL lists all data acquisition documents which, (with the exception of one-time DIDS) are approved and given OMB clearance by the Defence Quality and Standardization Office - Technical Data Division (DQSO-TDD) in accordance with Part IX, Section B, of DODI 5000.2. Part I of the AMSDL lists source documents and related DIDs by Data Functional Area Assignment; Part II is a numerical listing; Part III lists DIDs by key word in the title; and Part IV lists canceled and superseded source documents and DIDs.

9. The AMSDL is accessible in the Technical Resource Branch (HQ DISA Library and Information Center) (BRL), Building 12 in Arlington and the Dery Engineering Building in Reston; the Information Resources Management Division (IR), Virginia Square; and the DSSO Resource Center in the Pentagon. The Technical Resource Branch maintains AMSDL information on compact disc read only memory (CD-ROM). DIDs are maintained on microfilm in the Technical Resource Branch, where readers and printers are available, and in hard copy format the Information Resources Management Division. DISA personnel who are not located near the aforementioned facilities can use the services of other Government libraries, or request assistance from DISA/CIO (IR).

10. The following steps may be taken to identify DIDS that you may wish to use:

a. Refer to the AMSDL, Part III (keyword sequence), and look down the center of each page for the alphabetical listing of key words in the DID titles. Try different combinations of keywords to determine the most likely candidates.

b. Note the DIDs that appear to define your requirements. The DID numbers appear to the right of the keywords.

c. Review the DIDs that you have identified to determine whether they specify the information that you need. Misapplication of data acquisition documents in contracts can lead to increased cost and delay in delivery. If you find a DID that basically meets your requirements but contains extra unnecessary elements, you are in good shape. You can tailor down a DID but you cannot 'tailor up' or add to one.

d. To tailor a DID, delete requirements from Block 10 of the DID by annotating in Block 16, Remarks, of the CDRL (DD Form 1623), those paragraphs, sentences, or words which are to be deleted from the DID (DD Form 1664). The only Blocks of a DID that are legally binding on a contractor are Blocks 6 and 10. Maximum use of contractor formatted data is recommended when economically in the best interest of DoD. Data in contractor

format should be accepted when format requirements have no direct bearing on the use of the data.

11. If, after a thorough search, you have not found a DID that describes your need; there are two alternatives which may be considered. You may develop a new DID which must be drafted in accordance with DoD STD 963, coordinated with the DISA IRM Policy Office, and approved and given OMB clearance by the Defense Quality and Standardization Office (DQSO); or you may request a one-time DID. DISA/IR has the authority for one-time DID approval. However, you may use a one-time DID only once, unless you take action to get it approved and listed in the AMSDL. One-time DIDs are the 'exception' and will not be routinely approved. One-time DIDs are prepared using a DD Form 1684, Data Item Description, and using the guidelines provided in DoD STD 963, which is available from DISA/IR. See Exhibit 7J for additional information on DID DD Form 1664 preparation and approval.

12. The DID(S) you select may be Defense Technical Information Center (DTIC) applicable. DTIC copies of deliverables should be forwarded to DISA/IR, for further processing. Instructions to clarify these procedures to the contractor should be included in Block 16 of the CDRL. For additional information, see instructions for completion of Blocks 14 and 16 of the CDRL provided on page 7H-13.

13. CONTRACT DATA REQUIREMENTS LIST (CDRL), DD FORM 1423 COMPLETION: Detailed instructions for completing the CDRL (DD Form 1423) follow:

a. Introduction.

(1) DD Form 1423, Contract Data Requirements List (CDRL), or its automated replica, is to be used as the sole contractual document listing all data and information to be delivered under the contract, except as noted above. Do not specify data, data delivery, or data generation in the statement of work and do not specify work efforts on the CDRL. The CDRL specifies the delivery of data, and the statement of work levies on the contractor the work effort from which the data are derived.

(2) The CDRL form exists in three versions. The basic DD Form 1423 allows up to four data items to be listed on one form. The DD Form 1423-1 has an expanded Remarks block (block 16) and accommodates only one data item. The DD Form 1423-2, which also has expanded Remarks blocks, allows up to two data items to be listed on one form.

(3) Local reproduction of DD Forms 1423, 1423-1, and 1423-2 in their exact dimensions is authorized; however, two-sided copying is required in order to assure that the instructions printed on the reverse side are included with each copy.

(4) The Jun 90 edition of CDRL forms is the only authorized edition for new contracts. All other editions are obsolete.

(5) DD Forms 1423 shall identify as separate line entries each authorized data item required from the contractor. Each separate line entry shall be described on a DD Form 1664, Data Item Description.

(6) Data blocks numbered 1, 2, 4, 6, 7, 10, 12, 13, and 15 must be completed. Data blocks numbered 3, 5, 8, 9, 11, 14 and 16 may be blank, when appropriate.

(7) The purpose of these procedures is to insure that the acquisition of overlapping, unnecessary or redundant data is avoided and that DD Forming 1664, Data Item Descriptions, accurately define and describe the data requirements for a specific contract.

(8) Requests for exceptions to these instructions shall be directed to DISA, Attn: IR, with justification.

(9) The discipline for controlling contractual data requirements shall also be applied to internally prepared data. Functional activities shall be responsible for the management of their data. This includes the responsibility for storage, retrieval and disposal of data acquired under contract (DD Form 1423) and for their internally prepared data. The data management central focal point office shall: (1) provide the necessary policies and procedures to implement these instructions and to unify and integrate the efforts of the functional activities; (2) oversee application of authorized DIDs; (3) maintain minutes of data review boards actions; (4) maintain surveillance over the total data management discipline of the organization; and (5) provide assistance and advice to the Director.

(10) The organizational element responsible for the preparation of DD Form 1423 shall monitor the distribution of contractor prepared data for that contract. Specifically, procedures shall be established by the data management central focal point to ascertain actual receipt of the data and to insure all contractual requirements have been met. Functional



activities or other requestors or users of contractor data shall, in addition, certify to the adequacy of the data delivered under contract. This "feedback" procedure shall include the updating of DD Form 1664 when necessary. Functional activities and/or users of data shall be informed of the price of the data they have requested.

(11) DoD components shall enlist the support of Departmental plant representatives and the Defense Contract Administration Service (DCAS) to assist in the management of CDRL data, when necessary. Close Departmental-DCAS coordination is necessary in order to effectively evaluate (1) the application of restrictive legends, (2) predetermination of data rights, (3) the price of data, (4) the adequacy of data and (5) to inspect and accept data acquired under contract provisions. Working agreements shall be formulated and implemented to permit DCAS to report data discrepancies to DoD components and to take other actions to provide support and assistance to the procurement agencies of the DoD components.

(12) On classified contracts, data requirements shall be listed on DD Forms 1423 and described on DD Forms 1664. Due to the classified nature of these data, a higher echelon authority having "need to know" shall review and challenge the data requirement(s), in lieu of a data review board, to assure objective evaluation of data need. The name and signature of the reviewing authority shall appear on the DD Form 1423.

(13) Qualified data management personnel shall participate in precontract technical reviews of DD Form 1423 data; assist procurement activities in negotiating contracts containing DD Form 1423 data; recommend appropriate FAR/DFARS data clauses for inclusion in contracts and participate in Procurement and Contract Management Reviews of contracts containing DD Form 1423 data requirements.

(14) Other management procedures shall be established by the central focal point within each DoD component (in DISA, this is the Information Resources Management Division, Code IR) to coordinate and unify the efforts of the functional organizations in the preparation of DD Form 1423 and to assist in the acquisition and utilization management of data acquired under contract.

(15) Program or Project Managers shall determine that all data requirements listed on DD Forms 1423 are essential to the accomplishment of a program or project and are specifically defined.

b. General Block Information.

(1) Block A, Contract Line Item No. - Enter the Contract Line Item Number (CLIN) that is associated with the CDRL.

(2) Block B, Exhibit No. - Enter the contract exhibit number assigned to the CDRL.

NOTE: DFARS clause 204.7105 prohibits the use of a DD Form 1423 as an attachment for technical data.

(3) Block C, Category - Check the appropriate block for Technical Data Package (TDP) or Technical Manual (TM). Types of data which comprise a TDP are defined in MIL-T-31000, and types of manuals included under the TM category are defined in DODI 4151.9. "Other" data may be further categorized, such as Administrative Data, Configuration Management, etc., per the functional area assignments contained in the AMSDL. If the CDRL does not contain a specific category of data requirements, simply enter "Miscellaneous." A new form shall normally be started with each category. If, however, the CDRL contains a few items and numerous categories, leave this field blank, or enter miscellaneous."

(a) A "Technical Data Package" is defined in DODD 5010.12 as: A technical description of an item adequate for supporting an acquisition strategy, production, engineering, and logistics support. The description defines the required design configuration and procedures to ensure adequacy of item performance. It consists of all applicable technical data such as drawings, associated lists, specifications, standards, performance requirements, quality assurance provisions, and packaging details.

(b) Technical Manuals will be acquired as separate CLINS. Block 4 of the CDRL will list applicable Military Specifications instead of DIDs.

(4) Block D, System/Item - Enter the system/item/project designator or name.

(5) Block E, Contract/PR No. Enter the contract or Purchase Request (PR) number when known; if unknown, enter the Request for Proposal (RFP) number or other appropriate designator.

(6) Block F, Contractor - Enter the contractor's name. Following the name, a slash (/) and the contractor's Commercial and Government Entity (CAGE) may be inserted.

(7) Block G, Prepared by - Enter the CDRL preparer's (action officer/COR) name and signature.

(8) Block H, Date - Enter the date the CDRL was prepared.

(9) Block I, Approved by - Enter the name and signature of the individual responsible for approving the CDRL (may be preparer's supervisor).

(10) Block J, Date - Enter the date the CDRL was approved.

NOTE: Blocks G through J need only be completed on the first page of the CDRL package when the preparing approval authority is the same throughout the entire package. Subsequent pages of the CDRL package should contain the typed names and dates shown in Block 0 through J on the first page of the CDRL.

c. Detailed instructions for completing Blocks 1-16 of the CDRL (DD Form 1623):

(1) Block 1, Data Item Number - Enter the Exhibit Line Item Number (ELIN) per Section 204.7106 of the DFARS. Enter a sequential number of three or four positions. If four are used, the first may be alphabetic.

(2) Block 2, Title of Data Item - The title shall be identical to the title of the DID when cited in block 4. When the DD Form 1423 is used to acquire weapon system technical manuals, the title of the specific type of technical manual being acquired shall be entered in Block 2.

(3) Block 3, Subtitle - If the title in block 2 requires further identification, enter a subtitle.

(4) Block 4, Authority (Data Acquisition Document Number) - Enter the DID number or, when the DD Form 1423 is used to acquire technical manuals, the specific number of the applicable military specification or standard which provides the data preparation instructions. If a Technical Manual Contract Requirements (TMCR) document is used, enter "See TMCR \_\_\_\_\_". and attach the TMCR to the CDRL. The TMCR must list the applicable military specifications and/or standards which provide

the data preparation instructions. With the exception of a one-time DID, the document cited in this block (or listed in the TMCR, when used) must be one which has been cleared for listing in the AMSDL.

(5) Block 5, Contract Reference - Enter the specific paragraph number of the Statement of Work, specification, standard, or other applicable document which contains the tasking which generates a requirement for the data item.

(6) Block 6, Requiring Office - Enter the technical office responsible for ensuring the adequacy of the data.

(7) Block 7, DD Form 250 Requirement - Enter the applicable code, designating the requirement for inspection and acceptance of the data item. Designate the location (Contractor's facility, or destination) for performance of Government inspection and acceptance. This is accomplished by entering the applicable code for inspection and acceptance as shown below. The activity to perform the destination acceptance task shall, when applicable, be entered in Block 14 as the first addressee.

<u>DD Form 250 Code</u>	<u>Inspection</u>	<u>Acceptance</u>
SS	(a)	(b)
DD	(c)	(d)
SD	(a)	(d)
DS	(c)	(e)
*LT	(f)	(g)
*NO	(h)	(h)
XX	(i)	(i)

(a) Inspection at source.

(b) Acceptance at source.

(c) No inspection performed at source. Final inspection performed at destination.

(d) Destination acceptance.

(e) Acceptance at source. Acceptance based on written approval from the contracting officer.

(f) Letter of transmittal only. LT should not be used when inspection is required. The data is sent by the contractor directly to the personnel listed in Block 14 of the DD Form 1423. LT is used when the contracting agency does not desire to have a DD Form 250 for each and every piece of data

developed by the contractor. In special cases when the contracting agency does not desire to have separate DD Forms 250 but desires to have the quality assurance representative perform inspection, the quality assurance representative shall be listed on the distribution in block 14 and requested to provide comments via the quality assurance letter of instruction.

\* Use of symbol LT is not authorized for data comprising Technical Data Packages or for Technical Manuals. (LT may, however, be used for delivery of preliminary TDP's or TU's.)

(g) As specified in block 8 of the DD Form 1423.

(h) No inspection or acceptance required. No DD Form 250 or letter of transmittal required.

\* Use of this symbol is not authorized for data comprising Technical Data Packages or for Technical Manuals.

(i) Inspection and acceptance requirements specified elsewhere in the contract.

(8) Block 8, Approval - Items of critical data requiring specific advanced written approval prior to distribution of the final data item, such as test plans, should be identified by placing an "A" in this field. These data shall require submission of a preliminary draft prior to publication of a final document. When a preliminary draft is required, block 16 of the DD Form 1423 should show length of time allowed for Government approval/disapproval and subsequent turn-around time for the contractor to resubmit the data after Government approval/disapproval has been issued. Block 16 will also indicate the extent of the approval requirements; e.g., approval of technical content and/or format. If advanced approval is not required, leave this field blank.

(9) Block 9, Distribution Statement Required - Enter the code letter (A, B, C, D, E, F, or X) corresponding to the distribution statement to be marked on the data item by the contractor. DODD 5230.24 requires that DoD managers of technical programs shall assign distribution statements to all technical documents generated within their programs before primary distribution. All DTIC applicable technical documents will require distribution statements. Distribution statements provide authority and limitations for secondary distribution of the documents. If the appropriate statement cannot be determined at the time the CDRL is prepared, insert 'See Block 16.' In Block

16, indicate that the correct statement will be negotiated with or provided to the contractor prior to initial distribution. It is the responsibility of the controlling office to ensure that technical data is correctly marked prior to initial distribution. MIL-STD-1806 provides additional guidance.

(10) Block 10, Frequency - The following is a list of typical codes used to specify frequency of submittal. These codes, and any others that may be used that are not on this list, should be defined in a supplemental section provided with the CDRL to assist the contractor in complying with the requirements.

ANNLY	Annually	ONER	One time with revisions
ASGEN	As generated (a)	OTIME	One time
ASREQ	As required (a)	QRTLY	Quarterly
BI-MO	Every two months	SEMIA	Every six months
BI-WE	Every two weeks	WKLY	Weekly
DAILY	Daily	XTIME	Multiple separate submittal
DFDEL	Deferred Delivery		(2TIME, 3TIME, etc.)
MTHLY	Monthly		

(a) Use Block 13 for further explanation.

(b) If data is of a recurring type, it will be submitted at the end of the reporting period established in this field unless otherwise indicated in the Data Preparation Instructions or in Block 12 or 13 of this form.

(11) Block 11, As of Date, AOD - If the data is submitted only once, enter the "as of" date (cut-off date) as follows: year/month/day (e.g., "93Mar10"). If the data is submitted multiple times, enter the number of days prior to the end of the reporting period. For example, "15" would place the "as of" date for the data at 15 days before the end of the month, quarter, or year, depending on the frequency established in Block 10; a "0" would place the "as of" date at the end of each month, quarter, etc. If an "as of" date is not applicable, leave this block blank. (BLOCK 13 or 16 may be used for further explanation, if required).

(12) Block 12, Date of First Submission - Enter initial data submission date as follows: Year/Month/Day (e.g., "93Mar10"). If submittal is constrained by a specific event or milestone, enter this constraint. If the contract start date is not known, indicate the number of days after contract (DAC) start that the data is due (for example, "30 DAC"). If this date requires further clarification, use block 13. Note: DO NOT INSERT CLASSIFIED DATES. Typical abbreviations in block 12 are:

ASGEN	As generated*
ASREQ	As required*
DAC	Days after contract start
DFDEL	Deferred Delivery*
EOC	End of contract
EOM	End of month
EOQ	End of quarter

\* Provide specific instructions for these requirements in block 16.

(13) Block 13, Date of subsequent Submission - If data is submitted more than once, enter the date(s) of subsequent submission(s). If submittal is constrained by a specific event or milestone, enter this constraint. Note: DO NOT INSERT CLASSIFIED DATES. IF THIS INFORMATION CLASSIFIES THE DATA LIST, LEAVE BLANK. Typical entries for this block are as follows: "10 days after EOM," "15 days after EOQ," "30 days after EOC," "ASREQ," "ASGEN."

(14) Block 14, Distribution - Enter the addressees and the number of draft copies and the number of final copies (regular and reproducible) to be provided to each. DoD Component designators and office symbols/codes (Example: DISA/IR) may be used; however, an explanation of these shall be provided in a supplemental section of the CDRL. Office symbols, contractor initials, and command initials may be used. The first addressee should be the acceptance activity for the data if acceptance by DD 250 is to be accomplished at destination (see block 7). If reproducible copies (e.g., rollup, negative, floppy disks, etc.) are required, explain in block 16. If the data is not actually to be delivered to the Government or associated contractors, or if deferred delivery is required, indicate by placing "DFDEL" in this block or by explanation in block 16. DISA/IR will be included for distribution of two copies of final technical reports (excluding drafts, except those accepted in lieu of a final) associated with "DTIC applicable" DIDS. Indicate in Block 16: "Block 14: Two DTIC copies will be provided to DISA/IAR, as indicated, for further processing to DTIC." Each DTIC applicable report will include a completed Report Documentation Page, SF 298. Instructions for completion of SF 298 are provided in Exhibit 7E. Procedures for distribution to classified locations should be worked out between the user, acquisition agency, and applicable data managers.

(15) Block 15, Total - Enter the total number of draft and final (regular and reproducible) copies required by block 14.

(16) Block 16, Remarks - This block shall be used to provide additional or clarifying information for blocks 1 through 15. This block shall also be used to tailor the document listed in block 4. Tailoring may be accomplished by stating the deletions (e.g., "Delete 10.4") or by stating which requirements apply (e.g., "Only 10.4 and 10.5 apply"), whichever is most efficient. Indicate in this block that data is to be delivered in WordPerfect 5.1 format on floppy disk.

d. Detailed information for blocks 17 and 18. (To be completed by the bidder or offerer, as required. See reverse side of DD Form 1423 for additional information.)

(1) Block 17, Price Group - Enter the appropriate price group as shown on the reverse side of the DD Form 1423.

(2) Block 18, Estimated Total Price - For each data item, enter the total estimated price equal to that portion of the total price which is estimated to be attributable to the production or development for the Government of that item of data. The entry of "NSP" for 'Not Separately Priced' should not be used unless approved in accordance with DoD Component (DISA) procedures. These estimated data prices shall be developed only from those costs which will be incurred as a direct result of the requirement to supply the data, over and above those costs which would otherwise be incurred in performance of the contract if no data were required. The estimated data prices shall not include any amount for rights in data. The Government's right to use the data shall be governed by the pertinent provisions of the contract. The entry "N/C" for "no charge" is acceptable.

NOTE: Section 204.7105 of the DFARS provides specific guidance for entering "Not Separately Priced" (NSP) in block 18; also provided is guidance on when to detach, or leave attached, blocks 17 and 18 of the DD Form 1423.



DD FORM 1498, RESEARCH AND TECHNOLOGY WORK UNIT SUMMARY

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DD Form 1498 can be found in the warehouse

DD FORM 1498, RESEARCH AND TECHNOLOGY WORK UNIT SUMMARY

1. PURPOSE.

a. Provides a mechanism for reporting data at the work unit level for all ongoing technical effort, including studies, analyses, research, development, test and evaluation activities.

b. Centralizes data for the purpose of eliminating duplication, filling gaps, and enhancing quality in planning and executing technical programs.

2. APPLICABILITY INSTRUCTIONS. This form must be included in all proposed acquisitions (as a data item deliverable) that require the delivery of research, technology, studies and analyses as defined in DISA Instruction 630-85-2, Ongoing Work Unit Information System, page 2.

3. COMPLETION INSTRUCTIONS.

a. The DOD work unit information system is undergoing a major overhaul. Until such overhaul is completed, instructions for completing and submitting DD Forms 1498 are found in DISA Instruction 630-85-2, Ongoing Work Unit Information System, 22 Aug 77.

b. Assistance in using the form may be requested by contacting the Information Resource Management Division, Code IR, (703) 696-1915, DSN 226-1915.

DD FORM 1664, DATA ITEM DESCRIPTION

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DD Form 1664 can be found in the warehouse

## DD FORM 1664, DATA ITEM DESCRIPTION

## 1. PURPOSE.

a. Provides a standard way to specify data requirements in a contract.

b. Provides standard data items for use in DOD contracts to minimize duplication and enhance the specification of data deliverables.

2. APPLICABILITY INSTRUCTIONS. Data Item Descriptions (DIDs) must be included for each contract data deliverable in acquisition packages over \$25,000.

## 3. COMPLETION INSTRUCTIONS.

a. Assistance in using the form may be requested by contacting the Information Resources Management Division (Code IR), (703) 696-1915, DSN 226-1915.

b. A completed DD Form 1664 defines the data required of a contractor. The form specifically defines the data content, preparation instructions, format, and intended use of the required data. The Acquisition Management Systems and Data Requirements Control List (AMSDL) (DOD 5010.12.L) and AMSDL Notices provide a listing of standard DIDs available for use. Standard DIDs may be use as is or tailored in accordance with instructions.

c. One time, new, or revised DIDs may be prepared by the Project Officer. Development of these DIDs should be done only if a standard DID listed in the AMSDL cannot be used as is or cannot not be tailored. Preparation of one-time, new, or revised DID's must be in accordance with DOD-STD-963. All one-time DIDs developed by DISA must be coordinated with Code IR who reviews the DID for regulatory compliance and assigns a one-time DID number. All new or revised DIDs developed by DISA must also be coordinated with Code IR who submits the proposed new or revised DIDs to the Defense Quality an Standardization Office - Technical Data Division (DQSO-TDD) for approval, Office of Management and Budget (OMB) clearance (in accordance with DOD Instruction 5000.2), and listing in the AMSDL.

d. When a DID requires an associated form to be completed in preparation of the data product, the associated form shall be approved by the applicable forms control office and must display the OMB control number 0704-0188, which has been assigned to the

AMSDL. For additional information regarding associated forms contact Code IR.

e. Also see explanation of DD Forms 1423, 1423-1, 1423-2, Contract Data Requirements List (CDRL) for additional comments regarding DD Forms 1664.

DISA FORM 1 (E) SERIES  
ACQUISITION PACKAGE APPROVAL & COORDINATION SHEET  
ACQUISITION PACKAGE CHECKLISTS

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DISA Forms 1 (A, B, C, D) can be accessed in PerForm or in the warehouse

DISA FORM 1 (E)  
ACQUISITION PACKAGE APPROVAL & COORDINATION SHEET  
ACQUISITION PACKAGE CHECKLISTS

1. PURPOSE.

a. Document acquisition package approval and coordination of:

(1) Any contract to be awarded by a DISA Contracting Officer;

(2) Interagency support using Military Interdepartmental Purchase Requests (MIPR's) (DD Form 448), Reimbursable Orders (RO's) (DISA Form 125), or other "agency" format/agreement;

(3) Any DISA contract modification; or

(4) Any DISA option exercise (a type of contract modification).

b. Document Senior Information Resource Management (IRM) Official's approval of Federal Information Processing Resources (FIPR) as mandated by the Paper Work Reduction Act.

c. Serve as a Table of Contents and Checklist of documentation needed by the servicing or contracting activity to award a contract. This checklist serves as a reminder of items that must be included in the acquisition package for the Project/Action Officer, the acquisition package preparer (a mechanism/technique to reduce rework, reduce omissions, and insert quality directly into the process itself).

d. Standardize the "best known method" for summarizing the contents of an acquisition package.

2. APPLICABILITY INSTRUCTIONS.

a. General.

(1) Until the electronic forms system is on-line, DISA Form 1 series may be handprinted or typed.

(2) Use the DISA Form 1 series for acquisitions over \$25,000. For \$25,000 and under, use is optional but strongly encouraged. See paragraph 2.b(3) on how to use the forms for acquisitions \$25,000 and under.

## b. Specific Application.

(1) ARC/non-ARC acquisitions - Complete DISA Forms 1A and 1B.

(2) FIPR acquisitions - Complete DISA Forms 1A and 1C.

(3) Other acquisitions - Complete DISA Forms 1A and 1D. This combination may be used for options exercises and for acquisitions \$25,000 and under.

3. COMPLETION INSTRUCTIONS. These forms are completed by the Project/Action Officer.

a. DISA Form 1A (E), Acquisition Package Approval & Coordination.

<u>BLOCK</u>	<u>EXPLANATION</u>
"TO"	List office codes of personnel approving/coordinating - The minimum approval/coordinations are specified in Chapters 2, 3, and 4 for each particular type of acquisition (offices may add more internal coordinations, but keeping the number to an absolute minimum is strongly encouraged).
"ACTION"	List type of action -- Approve, Coordinate, etc.
"SIGNATURE"	Signature of listed code.
"DATE"	Date of signature.
"ACTION OFFICER"	Also known as the Project Officer - Typed name of person responsible for preparing acquisition package.
"SIGNATURE"	Signature of Project/Action Officer.
"OPR CODE"	Office of Primary Responsibility office code or Project/Action Officer office code.
"TEL NO"	Complete telephone number of Project/Action Officer.
"DATE"	Date Project/Action Officer signs.



- 1A Document/Purchase request number - The PR# is assigned by the FMO to the Project/Action Officer and is the identifier throughout the acquisition cycle (e.g., PR-90-001).
- 2A Activity Name - May use acronyms like "DSSO."
- 3A FIPR yes/no blk - See the definition of FIPR in Chapter 3. All packages must be coordinated with the Information Resources Management Division (Code IR), who will determine if FIPR.
- 4A Senior IRM Official approval - When an acquisition is classified FIPR, the Senior IRM Official is required by the Paperwork Reduction Act to certify compliance in appropriate regulations.
- 5A Type acquisition - DISA Contract, DISA Option Exercise, or DISA Contract Modification (a contract, option, or modification to be awarded by a DISA contracting officer); MIPR (work to be performed and/or a contract to be awarded by a military department); RO (work to be performed and/or a contract to be awarded by a civilian Federal Agency).
- 6A Short title and description of purchase - self explanatory.
- 7A Desired start work - usually the contract award date. Refer to the acquisition lead times in Chapter 1 of this Guide. Normally, award cannot occur sooner than those lead times specified.
- 8A Total performance period of the contract, to include options stated in years and months.
- 10A Check the appropriate box to indicate the form attached.

## b. DISA Form 1B (E), ARC/Non-ARC Acquisition Package Checklist.

<u>BLOCK</u>	<u>EXPLANATION</u>
1B	Check one - An example of "(5) Other" would be an Administrative Service Request (as requested by receiving activity - sometimes used to request services from an FFRDC) <u>or</u> another Agency's/Activity's interagency agreement form/format (may be used in lieu of a DoD or DISA financial form).
2B	Check the appropriate box. One case where an individual acquisition plan in Chapter 5 format may not be used is when an urgent action has been justified and a "Justification for Other Than Full and Open Competition" based on unusual and compelling circumstances is being processed. In any event, the contracting official requires some minimum information regarding the acquisition strategy. See Chapter 5 (Exhibit 5A) for a discussion on the kinds of information needed.
3B thru 20B	Check the block indicating which documents are included in the acquisition package.
21B	List additional documents attached and any special comments about the acquisition not already noted elsewhere. If additional space is needed, continue on plain bond paper.

## c. DISA Form 1C (E), FIPR Acquisition Package Checklist. (Over \$25,000)

<u>BLOCK</u>	<u>EXPLANATION</u>
1C	Check one - An example of "(5) Other" would be an Administrative Service Request (as requested by receiving activity - sometimes used to request services from an FFRDC) <u>or</u> another Agency's/Activity's interagency agreement form/format (may be used in lieu of a DOD or DISA financial form).

- 2C thru 18C      Check the block indicating which documents are included in the acquisition package.
- 19C              List additional documents attached and any special comments about the acquisition not already noted elsewhere. If additional space is needed, continue on plain bond paper.

d. DISA Form 1D (E), Small Purchase (\$25,000 and Below)

<u>BLOCK</u>	<u>EXPLANATION</u>
1D	Check one - An example of "(5) Other" would be an Administrative Service Request (as requested by receiving activity - sometimes used to request services from an FFRDC) or another Agency's/Activity's interagency agreement form/format (may be used in lieu of a DoD or DISA financial form).
2D thru 18D	Check the block indicating which documents are included in the acquisition package.
19D	List additional documents attached and any special comment about the acquisition not already noted elsewhere. If additional space is needed, continue on plain bond paper.

DISA FORM 94 (E), DISA PURCHASE REQUEST

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DISA Form 94 (E) can be accessed in PerForm or in the warehouse

## DISA FORM 94 (E), DISA PURCHASE REQUEST

## 1. PURPOSE.

a. Document accounting classification codes for a contract awarded by a DISA Headquarters Contracting Officer;

b. Document accounting classification code changes for a contract modification awarded by a DISA Headquarters Contracting Officer;

c. Document the FMO's review and determination that funding is proper and available; and

d. Certify the availability of funds by the appropriate DISA certification officer.

2. APPLICABILITY INSTRUCTIONS. This form must be completed for all proposed awards that will be awarded by a DISA Headquarters contracting officer (not required if awarded by a DECCO contracting officer).

## 3. COMPLETION INSTRUCTIONS.

<u>BLOCK</u>	<u>EXPLANATION</u>
1 thru 9	Project/Action Officer completes - self explanatory.
10	FMO (or as specified by the activity) Check the appropriate block(s).
11 thru 12	FMO (or as specified by the activity) completes Accounting classification codes - identify those which will be certified as available or "subject to the availability of funds."
13	FMO completes - self explanatory.
14	Director or designee completes - signifies final approval by directorate of the spending of money for a particular contract effort.

<u>BLOCK</u>	<u>EXPLANATION</u>
15	Funds certification officer completes (Code CPA).
16	FMO (or as specified by the activity) completes as appropriate - self explanatory.

DISA FORM 125 (E), REIMBURSABLE AGREEMENT/ORDER  
FOR SERVICES BETWEEN FEDERAL AGENCIES

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DISA Form 125 (E) can be accessed in PerForm or in the warehouse

DISA FORM 125 (E), REIMBURSABLE AGREEMENT/ORDER  
FOR SERVICES BETWEEN FEDERAL AGENCIES

1. PURPOSE.

a. Document accounting classification codes for services provided and/or a contract awarded by another civilian Federal activity;

b. Document accounting classification code changes for services provided and/or a contract modification awarded by another civilian Federal activity;

c. Document the FMO's review and determination that funding is proper and available;

d. Certify the availability of funds by the appropriate DISA certification officer; and

e. Document the acceptance of the agreement by the civilian Federal activity.

2. APPLICABILITY INSTRUCTIONS. This form is completed when the work is to be performed and/or a contract to be awarded by a civilian Federal Agency or Activity.

3. COMPLETION INSTRUCTIONS.

<u>BLOCK</u>	<u>EXPLANATION</u>
1	Project/Action Officer completes - self explanatory.
2 and 3	Leave blank.
4	DISA certification official in block 17 completes - The DISA certification official is an accounting official in the Accounting and Finance Division of the Comptroller Organization - Date is normally the date the RO is mailed by DISA Accounting and Finance Division to the receiving activity.
5	Project/Action officer completes - RO number is the purchase request number identified on the DISA Form 1A, block 1A.



- 6 Leave blank.
- 7 Project/Action officer completes -  
IMPORTANT NOTE: THIS ADDRESS MUST BE THE  
APPROPRIATE FINANCIAL OFFICE AT THE  
RECEIVING ACTIVITY (NOT THE RECEIVING  
ACTIVITY PROJECT OFFICER). When in doubt  
about which address to use, contact the  
FMO or Code CPA for advice.
- 8 DISA overlay - completed.
- 9a Project/Action officer completes - Item  
No.: number the services/items  
consecutively
- 9b Project/Action officer completes -  
Description provide a short description  
for each item number.
- 9c thru 9f Project/Action officer completes -  
Itemize if services are subdivided and  
funded as such.
- "PROJECT OFFICER"  
DISA overlay Project/Action officer completes - type  
name, commercial phone number, and  
autovon number.
- 10 FMO completes - FMO SIGNATURE - self  
explanatory.
- 11 FMO (or as specified by the DISA  
activity) completes - self explanatory.
- 12 No action required on the face of form.
- 13 Leave blank.
- 14 DISA overlay - no action required -  
already completed.
- 15 FMO (or as specified by the DISA  
activity) completes - fill in accounting  
classification codes.
- 16 FMO (or as specified by the DISA  
activity) completes - fill in funds  
expiration date.

17,18,19

DISA certification official completes -  
Typed name of authorizing officer,  
Signature and Date - self explanatory.

DISA FORM 245 (E), CONTRACT PERIODIC/DELIVERABLE EVALUATION

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DISA Form 245 can be found in Perform or in the warehouse.

## DISA FORM 245, CONTRACT PERIODIC/DELIVERABLE EVALUATION

## 1. PURPOSE AND APPLICABILITY.

The purpose of the DISA Form 245 is to provide criteria for evaluation of either ongoing technical support or evaluation of tangible deliverables. This edition replaces DCA Form 235, DCA Form 245 and DCA Form 133 (JDSSC/DSSO's Test Form). This form serves primarily as a permanent record of DISA's receipt of non-personal services and if applicable may also be used as supporting documentation to assist evaluators in award fee evaluations. This form allows room for mandatory narratives and provides documentation of the date a completed evaluation form is provided to the contractor.

## 2. COMPLETION INSTRUCTIONS.

Item

1. Contract Number: Enter the Contract Number.
2. Type of Contract: Enter Type of Contract; i.e., CPAF, CPFF, FFP, etc.
3. Contractor: Enter the company name of the contractor.
4. Contract Title: Enter the primary activity performed, organization supported and or the title of the contract, abbreviate as required.
5. Task Order Number: If applicable, enter the Task Order Number under which this deliverable is being evaluated.
6. Task Order Name: Enter the name of the Task or Task Order, abbreviate as required.
7. Evaluation Type: Select Periodic if the Contract is for on-going support and evaluate the appropriate period. Select Deliverable if a tangible deliverable has been submitted, or re-submitted if not approved under a previous submission.
8. Complexity: Select the level of complexity of the task being evaluated.
9. Criticality: Select the level of mission impact or criticality of the task being evaluated.

10.a., b., c. Effort Expended: Enter the resources expended, if known.

TSMs: Enter the amount of Technical Staff Months.

Cost: Enter the cost associated with this Task Order for the period of this evaluation if this is a Periodic Evaluation. If this is a Deliverable Evaluation enter the cost associated with the deliverable.

TSM Rate: Enter the Technical Staff Month Rate.

11. PERIODIC EVALUATION: Leave this section blank if this is a Deliverable Evaluation.

a. Description: Enter the appropriate Task Request(s), Deficiency Report(s), etc.

b. Period: Enter the period covered by this evaluation.

12. DELIVERABLE EVALUATION: Leave this section blank if this is a Periodic Evaluation.

a. Description: Enter the type of deliverable being evaluated.

b. Date Due: Self-explanatory

c. Date Received: Self-explanatory. If deliverable is rejected a separate DISA Form 245 is required for each re-submission.

13. EVALUATION RATING:

a. Requirement Met: Indicate how well the overall requirement was met. Rate the Contractor's independent contribution in completing the task as compared to its reliance on technical assistance provided by the Government.

b. Adherence to Schedule: For Periodic Evaluations indicate how timely and efficient the Contractor's response to the tasking was for the period. For Deliverable Evaluations indicate a high rating if the deliverable was on time or if a delay was caused by the Government, a medium rating if a minimal delay occurred and was caused by the Contractor with only minor negative operational impact, or a low rating if the deliverable was delayed by the Contractor and/or was otherwise late.

c. Responsiveness to Changes: Evaluate the Contractor on its ability to quickly adjust, adapt and produce, given the changing nature of Government requirements. The cost efficiency and expedience of the Contractor's response should be considered.

d. Staffing Mix: Rate the Contractor on the level and mix of expertise assigned. (Too high, too low, etc.)

e. **Cost Control:** Analyze the Contractor's management capability to control resource expenditures. Is the Contractor taking active steps to reduce Government costs, to reduce the Technical Staff Month Rate, and to complete the Contract within the scheduled cost? Is the Contractor tracking and reporting the information in a format useful to the Government?

f. **Innovation/Initiative:** Classify the Contractor's creativeness in solving problems and accomplishing effective improvements without negatively impacting operational requirements. Are the Contractor's innovations and initiatives prudent?

g. **Quality: Interaction/Accuracy:** For Periodic Evaluations evaluate if the Contractor is disclosing critical problems and providing timely, accurate and informative reports. For Deliverable Evaluation, determine if the deliverable is in accordance with applicable standards, goes into sufficient depth of analysis and if the deliverable is free from error in content and presentation.

14. **OVERALL EVALUATION RATING:** Indicate the appropriate Overall Rating for the period of this report if a Periodic Evaluation. Indicate the appropriate Overall Rating for the content of the deliverable if a Deliverable Evaluation.

15. **Narratives:** Written narratives are of paramount importance to the Government as well as the Contractor. Amplify each Excellent, Marginal and Poor rating assigned with tangible examples of the Contractor's shortcomings and strong points. Narratives for Good and Satisfactory ratings are optional.

16. **Task Officer:** Enter the name and title of the Task Officer.

17. **Task Officer Signature:** Self-explanatory.

18. **Date:** Enter the date the completed evaluation is signed.

19. **COR:** Enter the name and title of the Contracting Officer's Representative (COR).

20. **COR Signature:** Self-explanatory.

21-22. **Date:** Enter the date the completed evaluation is reviewed and signed. The COR shall enter the date the completed form is sent to the contractor, retain a file copy and then forward the original form to the Contracting Officer.

23. Directorate Reviewer: Enter the name and title of the Directorate Reviewer.

24. Directorate Reviewer Signature: Self-explanatory

25. Date: Enter the date signed by Directorate Reviewer.

DISA FORM 678 (E), ACQUISITION PLANNING DATA ENTRY SHEET

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DISA Form 678 (E) and instructions can be found in Perform or in the warehouse



DISA FORM 678 (E), ACQUISITION PLANNING AND TRACKING SYSTEM  
ENTRY SHEET

1. PURPOSE. Serve as the manual document for data input into the Acquisition Planning and Tracking System (APTS) data base.
2. INSTRUCTIONS FOR COMPLETION OF DISA FORM 678. Instructions are contained on the reverse side of the form. DISA Form 678 can be accessed in PerForm. Hard copies of the form are located in the warehouse.

## DISA Form 752 (E), INDEPENDENT GOVERNMENT COST ESTIMATE

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DISA Form 752 (E) can be accessed in PerForm or the warehouse.

DISA Form 752 (E), INDEPENDENT GOVERNMENT COST ESTIMATE

1. PURPOSE.

- a. Serve as a yardstick to aid Contracting Officer's in determining the reasonableness of offerors' cost proposals; and,
- b. Assists in developing negotiating positions.

2. APPLICABILITY INSTRUCTIONS. This form must be completed for all ARC/non-ARC acquisition packages over \$25,000.

3. COMPLETION INSTRUCTIONS.

a. Completion instructions are found in DISA Circular 600-60-1, Cost and Planning Factors Manual, Chapter 24.

b. Assistance in completing the estimate may be requested by contacting the Cost and Program Analysis Division, Comptroller Directorate (located at HQ DISA), (202) 692-3228.

c. Supplementary cost estimate information may be provided on plain bond attached to the DISA Form 752 (E).